

**Maple Capital Management, L.L.C.**

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**This brochure provides information about the qualifications and business practices of Maple Capital Management, L.L.C. If you have any questions about the information contained in this brochure, please contact us at (214) 661-8000. 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.**

**This brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of offering, governing and/or account documents that contain the material terms relating to such investments, products or services.**

**Additional information about Maple Capital Management, L.L.C. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

August 17, 2018

## ITEM 2: MATERIAL CHANGES

This is our initial firm brochure. In connection with the annual updating amendment to our firm brochure, we will revise this item to include a summary of any applicable material changes.

*The information set forth in this brochure is qualified in its entirety by the applicable governing and account documents and applicable offering materials. In the event of a conflict between the information set forth in this brochure and the information in the applicable governing, account and/or offering documents, such documents shall control.*

***We encourage all clients and investors to carefully review this document and/or any other applicable disclosure documents in their entirety.***

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## ITEM 4: ADVISORY BUSINESS

### FIRM DESCRIPTION AND OVERVIEW

Maple Capital Management, L.L.C. (“MCM” or “we,” “us,” or “our”) was organized in April 2018. We (and certain of our affiliates) will or may provide investment management, advisory, administrative and other services to pooled investment vehicles and other entities and ventures primarily with respect to investments in industrial real estate properties, interests and assets.

Our investment advisory services will be provided on a discretionary or non-discretionary basis in accordance with the investment objectives, strategies, guidelines, restrictions, terms and limitations set forth in the applicable offering, governing and/or account documents, as applicable, and the information in this brochure is qualified in its entirety by the information set forth in such documents.

### PRINCIPAL OWNERS

We are ultimately owned, indirectly through intermediate subsidiaries, by Crow Family Holdings (as defined below) and certain of our senior employees. As used herein, “Crow Family Holdings” means (i) Crow Family, Inc., a Texas corporation, Crow Holdings, L.P., a Delaware limited partnership, or any successors thereto and (ii) entities owned and controlled by any two or more of the Harlan R. Crow Family Branch Partnership, L.P., the Trammell S. Crow Family Branch Partnership, L.P. and the Stuart M. Crow Family Branch Partnership, L.P. While Crow Family Holdings owns a majority of our equity interests, it will be a passive owner and will not be involved in our day-to-day management and operations. See **Item 11**.

### TYPES OF ADVISORY SERVICES

We will or may provide discretionary or non-discretionary investment management, advisory, administrative and other services to pooled investment vehicles, special purpose vehicles, entities and separately managed accounts (“Accounts”) primarily with respect to investments in industrial real estate properties, interests, and/or assets, as well as debt secured, directly or indirectly, by such industrial real estate properties, interests and/or assets. Accounts may invest indirectly through one or more subsidiary entities including, but not limited to, subsidiary real estate investment trusts, corporations, limited liability companies, partnerships, parallel entities, joint ventures and other arrangements in which Accounts have direct or indirect interests. Our advisory and other services will be provided to clients in accordance with the investment objectives, strategies, guidelines, terms, restrictions and limitations set forth in the applicable offering, governing and/or account documents. See **Item 8** below.

### INVESTMENT RESTRICTIONS

Investment advice and other services will be provided to an Account in accordance with the investment objectives, strategies, terms, guidelines, restrictions and limitations contained in the applicable offering, governing and/or account documents. Subject to our approval, Account clients or investors in an Account may impose reasonable restrictions and limitations on our investment advisory and other services with respect to the management and operation of an Account or the investment advisory or other services provided with respect thereto. The information in this brochure is qualified in its entirety by the information set forth in the applicable governing, account and offering documents. See **Item 8** below.

Limited partner interests or other equity interests in an Account that is a private pooled investment vehicle will be privately offered only to eligible investors pursuant to exemptions under the U.S. Securities Act of 1933, as amended, and the regulations promulgated thereunder. Such pooled investment fund Accounts will not be registered with the SEC as investment companies based on specific exclusions from the definition of investment company under the U.S. Investment Company Act of 1940, as amended.

## **REGULATORY ASSETS UNDER MANAGEMENT**

As of the date of this brochure, we do not have any regulatory assets under management (as also reflected in Item 5.F(2) of Part 1 of Form ADV).

## **ITEM 5: FEES AND COMPENSATION**

### **FEE SCHEDULES**

The fees and expenses applicable to and/or required to be borne by each Account will be set forth in detail in the offering, governing and/or account documents of such Account, and will be negotiable on a case by case basis based upon various factors or considerations deemed relevant or appropriate, including, without limitation, the size of the mandate and/or the scope of the services to be performed.

Subject to the terms and conditions set forth in the applicable governing or account documents, we generally expect to receive from each Account a management fee, payable quarterly in advance or arrears, in an amount equal to between 0.25% and 0.50% (or such other applicable percentage) of the aggregate capital commitments, invested capital or asset value of such Account.

Subject to the terms and conditions of the applicable governing or account documents, we or an affiliate may be entitled to receive with respect to an Account a carried interest or other incentive or performance-based compensation equal to a percentage of profits on distributions derived from the disposition of investments (following the return to the applicable investor or client of its contributed capital and a preferred rate of return of a certain percentage on contributed capital).

Subject to the terms and conditions set forth in the applicable governing, account and/or offering documents, we or an affiliate generally will or may receive various other types and forms of compensation with respect to Accounts including, without limitation, (i) venture fees or other asset-based fees, (ii) general contracting fees, (iii) development fees, (iv) construction services fees, and/or (v) a promote, profits, or similar interest in entities formed to hold or own real estate investments.

### **PAYMENT OF FEES**

Subject to the terms of the applicable governing or account documents, management and other asset-based fees generally will be funded with capital contributions or other payments, through withholdings from distributions or refinancings, and/or from any borrowings by such Account. Subject to the terms of the applicable governing or account documents, capital contributed to pay management fees may not be credited against or reduce the unfunded commitments of an Account and such amounts may be in addition to capital commitments to such Account.

Subject to the terms of the applicable governing or account documents, carried interest distributions and other performance-based compensation with respect to an Account generally will be distributed or paid to us or our affiliates from time to time upon the disposition or refinancing of investments or from profits on distributions derived from operating proceeds.

Any other applicable fees and compensation with respect to an Account will be payable in accordance with the terms set forth in the governing, account and offering documents relating thereto.

## **OTHER FEES AND EXPENSES**

In addition to the fees described above, we or an affiliate may also receive other types of fees, payments or other compensation with respect to or in connection with our advisory and other services provided with respect to Accounts.

Subject to the terms and conditions set forth in the applicable governing and account documents, each Account generally will bear all of its own organizational and offering expenses which may include, among other things, the expenses incurred in connection with forming and establishing such entity, its general partner or manager and/or affiliated entities and the offering of interests, including attorneys' fees, expenses for travel (which may include first class or business class travel), accommodation expenses, meal expenses and other similar types of expenses, accountants fees and expenses, applicable taxes and fees.

Subject to the terms and conditions set forth in the applicable governing and account documents, an Account generally will or may bear all costs and expenses incurred in connection with its business and activities including, without limitation, (i) out-of-pocket investment costs and expenses, such as custodial expenses and finders' fees, transfer taxes; (ii) all out-of-pocket costs and expenses relating to identifying, sourcing, evaluating, investigating, developing, negotiating, structuring, acquiring, monitoring, trading, settling, holding, protecting, strengthening, operating, managing, constructing, rehabilitating, zoning, marketing, advertising, financing, refinancing, mortgaging, exchanging, realizing, hedging and disposing of investments (including expenses for travel, meals, entertainment and lodging) and other out-of-pocket costs and expenses incurred with respect to investments (regardless of whether the potential investment is acquired or the investment is disposed of); (iii) out-of-pocket fees and disbursements to third parties relating to any audit and accounting or bookkeeping or tax services with respect to, the books and records of the Account including the preparation of the periodic reports required to be delivered pursuant to the applicable governing documents, tax advice, tax projections, tax returns and K-1s, the out-of-pocket costs and expenses of verifying distributions, models, valuations and tax allocations; (iv) out-of-pocket costs and expenses of attorneys, consultants, accountants, trustees, transfer agents, paying agents, corporate agents, tax advisors, bookkeepers, administrators, valuation agents, appraisers, brokers, third-party due diligence, third-party research services, and other professionals (including legal fees in connection with any legal opinions required to be delivered by or on behalf of the Account); (v) principal, interest on and fees, expenses and costs arising out of borrowings permitted by the terms of the applicable governing or account documents and all out-of-pocket costs and expenses incurred in negotiating, entering into, effecting, maintaining, varying and terminating any borrowing or guarantee permitted to be incurred by the applicable governing or account documents; (vi) out-of-pocket controversy and controversy settlement costs and expenses; (vii) the amounts required to be paid to any indemnitee pursuant to the applicable governing or account documents; (viii) all insurance premiums or expenses, finance charges, any out-of-pocket costs and expenses of brokers, agents, attorneys and advisors, and third-party charges for risk management services or similar expenses incurred by an Account, its general partner or its manager in connection with the activities and management of such Account; (ix) out-of-pocket costs and expenses of maintaining records and books of account in relation to the business of the Account; (x) out-of-pocket costs and expenses incurred in relation to obtaining waivers, consents or approvals pursuant to the applicable governing documents and all reasonable out-of-pocket costs and expenses of, and/or incidental

to, the preparation of amendments to the governing documents; (xi) out-of-pocket costs and expenses of, and/or incidental to, the preparation and dispatch to the investors of all checks, reports, circulars, forms and notices and any other documents necessary or desirable in connection with the business and administration of the Account; (xii) out-of-pocket costs and expenses incurred as a result of dissolution of the Account and the distribution, realization or disposal of investments pursuant thereto; (xiii) out-of-pocket costs and expenses of any threatened or actual litigation involving the Account and the amount of any judgment or settlement paid in connection therewith, excluding however the costs and expenses of any litigation, judgment or settlement with respect to which an indemnitee is not entitled to indemnity pursuant to the governing documents; (xiv) out-of-pocket costs and expenses incurred in relation to maintaining custody of any and all Account documents that the general partner, manager or control party of the Account deems appropriate in connection with the business activities of the Account, and charges by the general partner, manager or any affiliate of such Account for document retention; (xv) out-of-pocket costs and expenses incurred in connection with the valuation of the investments and other assets of the Account; (xvi) all construction management, development, general contractor, leasing, property management fees and any other project fees and expenses relating to investments, which may be provided by an affiliate of the general partner or the manager pursuant to the applicable governing documents; (xvii) out-of-pocket costs and expenses associated with third-party investment level hedging, third-party environmental and other third-party services. An Account may also be required to pay or bear the broken deal expenses with respect to any proposed co-investment to the extent not paid by the proposed co-investors with respect to such proposed co-investment. An Account may also be required to pay the costs and expenses incurred with respect to applicable legal and/or regulatory compliance matters and regulatory filings with applicable U.S. federal, state, local or non-U.S. or other laws or regulations. Subject to the terms and conditions of the governing or account documents, an Account may also be required to bear or reimburse us for certain of our (or an affiliate's) overhead or operating expenses.

We and our personnel may receive certain intangible and/or other benefits and/or perquisites arising or resulting from certain activities on behalf of clients that will not be subject to any management fee offset or otherwise shared with clients, investors and/or portfolio investments. For example, airline travel or hotel stays incurred as client expenses typically result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to us and/or such personnel (and not the clients, investors and/or portfolio companies) even though the cost of the underlying service is borne by clients, investors and/or portfolio companies.

Expenses may be incurred by or relate to more than one of our Account clients. We expect to allocate aggregate costs among the applicable clients (and, in certain cases, among us, our affiliates and applicable clients) in accordance with allocation policies and procedures which will be reasonably designed to allocate expenses in a fair and equitable manner over time among such applicable clients. However, expense allocation determinations can involve potential conflicts of interest (e.g., an incentive to favor clients that pay higher incentive fees or conflicts relating to different expense arrangements with certain clients). In general, we expect to allocate expenses among applicable clients on a *pro rata* basis based on assets under management or total amount invested or committed to invest (or the size of the investment made by each applicable client in the activity, entity or investment to which the expenses relate). We may, however, use other methods to allocate certain expenses among applicable clients if we deem another method to be more appropriate based upon the relative use of a product or service, the nature or source of the product or service, the relative benefits derived by the applicable clients from the product or service, or other relevant factors. Nevertheless, the portion of a common expense that we may allocate to a client may not reflect the relative benefit derived by such client in any particular instance. Our expense allocations will often depend on inherently subjective determinations and, accordingly, expense allocations made by us in good faith generally will be binding and final on each client.

The applicable Accounts generally will or may bear out-of-pocket expenses and costs incurred in connection with investments and deals that are not ultimately completed or consummated. Typically, these expenses may include (i) legal, accounting, advisory, consulting or other third-party expenses in connection with making an investment that is not ultimately consummated, and any related travel and accommodation expenses (whether incurred by us or third parties), (ii) all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment that is not ultimately made, and (iii) any break-up fees, deposits, or down payments of cash or other property which are forfeited in connection with a proposed investment that is not ultimately made.

*The foregoing list is not intended to be exhaustive or complete with respect to any Account and is qualified in its entirety by the applicable governing, offering or account documents of such Account, as applicable. Each Account will or may bear and be responsible for any custodial and counterparty fees and expenses applicable to its investment and other activities.*

#### **COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS**

Neither we nor any of our supervised persons accept compensation for the sale of securities or other investment products.

#### **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As noted under **Item 5** above, we and/or certain of our affiliates may receive performance-based compensation (including carried interest distributions) with respect to any or all of the Accounts.

In certain cases, an investment opportunity may be appropriate for more than one advisory client. As discussed in **Item 12**, these investment opportunities will be allocated in accordance with our investment allocation policies and procedures, pursuant to which we generally will seek to allocate investment opportunities to or among our applicable clients in a fair and equitable manner under the circumstances based upon various factors or considerations deemed relevant or appropriate by us, including, without limitation, the investment guidelines, limitations, strategies, focus areas and any other provisions of the governing, account and/or offering documents of such applicable clients.

Carried interest distributions and performance-based fees and compensation could motivate us to make investment decisions that are riskier or more speculative than would be the case if these arrangements were not in effect. The method of calculating the carried interest or performance allocations may result in conflicts of interest with respect to the management and disposition of investments, including the sequence of dispositions. Certain of our individual employees, agents and affiliates may be compensated to some extent based upon investment profits for which they are responsible and, accordingly, may face the same potential conflict. We attempt to address these conflicts through full and fair disclosure in the applicable governing, account and/or offering documents and/or this brochure.

In addition, in allocating investment opportunities, we may have an incentive to favor clients with a potential for performance-based compensation over clients with no potential for performance-based compensation. We focus on monitoring the allocation of investment opportunities in such situations and endeavor to resolve any material conflict with respect to the allocation of investment opportunities. **See Item 12.**



## ITEM 7: TYPES OF CLIENTS

### TYPES OF CLIENTS

We will or may provide advisory services to various types of clients, including affiliated private pooled investment vehicles, special purpose vehicles, joint ventures, separately managed accounts of institutional clients and other entities.

### ACCOUNT REQUIREMENTS

There is currently no minimum amount required to invest in any Account.

To invest in an Account, an investor generally will be required to be, among other things, an “accredited investor” and either a “qualified purchaser” as each such term is defined in applicable U.S. securities laws.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

It is anticipated that each Account will pursue a single asset strategy and will primarily invest in industrial (warehouse) real estate, which investments are expected to have long-term hold periods. These single asset strategy Accounts will focus on the development of industrial real estate and may also acquire existing operating real estate assets which may be redeveloped or held as-is. We expect to evaluate the market throughout the investment period of each Account and deploy capital where we believe that the best opportunities can be found for such Account on a risk-adjusted basis.

We generally will seek to generate attractive risk-adjusted returns consistent with an Account’s investment objectives through the implementation of one or more investment approaches to effect the single asset strategy of the Account, which may include, without limitation, the following investment approaches:

**Development:** We expect that the Accounts will invest in development projects with or alongside Crow Holdings Industrial, an industrial real estate company and affiliate of us (“CHI”), or an affiliate thereof, which are generally expected to be in major United States metropolitan statistical areas (MSAs) or other geographic region specified in the investment guidelines under the applicable governing, offering or account documents. Comparable property performance, current supply/demand metrics and construction costs will be evaluated extensively prior to committing to an investment in a development project.

**Value creation:** We expect to target well located real estate and focus on value creation for the Accounts primarily through the development or re-development of real estate assets acquired by the Accounts. We may also implement other value creation tactics for the Accounts including 1) buying below replacement costs, 2) acquiring assets in depressed or recovering markets, subject to any geographic investment limitations of an Account, 3) asset repositioning, and 4) increasing net operating income.

**Risk of Loss:** Each development or acquisition opportunity allocated to an Account is expected to be assembled and underwritten by CHI or an affiliate thereof. In accordance with the applicable offering, governing or account documents of any discretionary Account, we will review any development or acquisition opportunities on behalf of such Account as presented by CHI or an affiliate and we will perform an analysis on such opportunity. We expect that our analysis will include, among others, verification of project economics (including rents and expenses), location study and ultimately a physical market tour and visit to a particular site. We will use the findings of these analyses to make recommendations to our Investment Committee with respect to the allocation of such development or acquisition opportunity to an Account.

Subject to the terms and conditions of the applicable governing or account documents, we generally expect that an Account will seek to finance each investment separately on a non-recourse basis (subject to customary non-recourse carve-outs) in order to avoid cross-collateralization. If each asset is financed separately, it may minimize the possibility of a “mistake” in the portfolio creating a domino effect on other holdings within such Account. However, a separate guaranty of the debt or such non-recourse carve-outs is often required, which would effectively cross-collateralize all or a portion of the portfolio of the applicable Account. As allowed under the applicable governing, offering or account documents, we will strive to maintain the appropriate levels of leverage in compliance with any restrictions or other limitations with respect to an Account. Further, subject to the terms and conditions of the applicable governing or account documents, leverage may also or alternatively be placed on smaller assets of an Account using one or more portfolio loans in an attempt to obtain improved debt terms and increase financing availability.

*The investment strategies summarized above are not intended to be comprehensive. With respect to each Account, the information set forth above is qualified in its entirety by the information set forth in its applicable offering, governing, and/or account documents. For more information regarding the investment strategies and processes of any Account, please refer to the applicable offering, governing and/or account documents.*

## **CERTAIN RISK FACTORS**

*There can be no assurance that clients will achieve their investment objectives or that investments will be profitable. Our investment strategies will involve a substantial degree of risk, including risk of complete loss. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that our investment strategies are low risk or risk free. Our investment strategies are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of investment. The various risks outlined below are not the only risks associated with our investment strategies and processes and will not necessarily apply to every Account.*

**Risks of Real Estate Ownership.** There can be no assurance that the operations of the Accounts will be profitable or that cash from operations will be available for distribution to limited partners. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of real property interests. The marketability and value of the real property interests will depend on many factors beyond our control, including, without limitation: (i) changes in general or local economic conditions and conditions of domestic and international financial markets; (ii) changes in supply of or demand for competing properties in an area, including competition for real property interests; (iii) changes in interest rates; (iv) the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety; (v) unavailability of mortgage funds which may render the construction, leasing, sale or refinancing of a property difficult; (vi) the financial condition of tenants, buyers and sellers of properties; (vii) changes in real estate tax rates and other operating expenses; (viii) the imposition of rent controls; (ix) energy and

supply shortages; (x) various uninsured or uninsurable risks; and (xi) acts of God, natural disasters and uninsurable losses. Since investments in real estate generally are not liquid, there is no assurance that there will be a ready market for real property interests. Competition for investments may have the effect of increasing costs, thereby reducing investment returns to the Accounts.

***Unforeseen Acquisition Results.*** Acquisitions made by the Accounts may not prove to be successful. The Accounts may encounter unanticipated difficulties and expenditures relating to any acquired properties, including contingent liabilities. The Accounts may never realize the anticipated benefits of an acquisition, which could adversely affect their ability to dispose of properties or make distributions to limited partners.

***Possible Lack of Diversification.*** While diversification will be an objective of the Accounts, there can be no assurance as to the degree of diversification that will actually be achieved in the Accounts' investments either by geographic region or property type. The Accounts may participate in a limited number of investments and, as a consequence, the aggregate return of the Accounts may be substantially adversely affected by the unfavorable performance of even a single investment. If we make an investment in a single transaction with the intent of refinancing or selling a portion of the investment, there is a risk that we will be unable to successfully complete such a financing or sale. This could lead to increased risk as a result of the Accounts having an unintended long-term investment and reduced diversification.

***Risks of Developing Property.*** Property development activities include, among others, the risks that we may abandon development projects after expending resources, construction costs of a project may exceed original estimates, occupancy rates and rents at a newly completed property may be less than anticipated and the construction and leasing of a property may not be completed on schedule. Development activities are also subject to risks relating to the inability to obtain, or delays in obtaining, all necessary zoning, land-use building, occupancy and other required government permits and authorizations.

***Investment in Troubled Assets.*** We may make substantial investments in nonperforming or other troubled assets that involve a degree of financial risk and there can be no assurance that an Account's internal rate of return and/or cash multiple of invested capital objectives will be realized or that there will be any return of capital. Furthermore, investments in properties operating in workout modes or under Chapter 11 of the Bankruptcy Code may, in certain circumstances, be subject to additional potential liabilities that could exceed the value of the investor's original investment, including equitable subordination and/or disallowance of claims or lender liability. In addition, under certain circumstances, payments to the Accounts and distributions by any pooled investment fund Account to its investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment under applicable law.

***Leverage of Investments.*** We leverage or may leverage an Account's investments individually or as a portfolio (or a pool of assets in the portfolio) with non-recourse debt financing, subject to customary non-recourse carve-outs. An Account also may obtain or utilize recourse debt financing on an unsecured basis or in select situations on secured financings and it may provide, or have a subsidiary provide, guarantees in such situations. Although the use of leverage may enhance returns and increase the number of investments that can be made, it also may substantially increase the risk of loss. Additionally, use of leverage on any particular investment will increase the exposure of such investment to adverse economic factors such as rising interest rates, severe economic downturns or deterioration in the condition of the real estate investment or its market. Use of leverage at the portfolio level also exposes investments to the performance of other assets with which it is crossed. In the event a real estate investment is unable to generate sufficient cash flow to meet its principal and interest payments on its indebtedness, the value of an Account's equity investment in such real estate investment could be

significantly reduced or even eliminated. Borrowings under a proposed credit facility may be secured, among other things, by the interests of the investors in any pooled investment fund Account and by their obligations to make capital contributions. Also, because certain of the single product Accounts generally intend to engage in portfolio financings and financing acquisitions where several investments are cross-collateralized, multiple investments will be subject to the risk of loss. As a result, an Account could lose its interests in performing investments in the event such investments are cross-collateralized with poorly performing or non-performing investments. Any inability of the Accounts to repay such borrowings could enable a lender to take action against the limited partners.

***Illiquidity of Investments.*** Real estate investments made by the Accounts will generally be illiquid. Dispositions of such investments also may be subject to limitations on transfer or other restrictions that would interfere with the subsequent sale of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In addition, we may invest in securities of privately held companies for which there is no public market. The Accounts will generally not be able to sell these securities unless such securities are registered under applicable securities laws or unless an exemption from such registration requirements is available. In some cases, the Accounts may be prohibited by contract from selling securities for a period of time. There is also the risk that the Accounts will be unable to dispose of such securities at attractive prices or otherwise execute a successful exit strategy.

***Third-Party Involvement.*** An Account may co-invest through partnerships, joint ventures or other entities with third parties that may have economic or business or other interests or objectives that are different than or conflict with those of such Account and its investors. Such co-investments and joint ventures may involve risks in connection with such third-party involvement, including the possibility that a third party co-investor or joint venture partner may have financial difficulties, resulting in a negative impact on the investment, may have economic or business interests or objectives that are different than or conflict with those of the Accounts, or may be in a position to take (or block) actions contrary to the Accounts' investment objectives. See **Item 11**.

***Service Providers and Joint Ventures.*** We, the Accounts, the general partner or manager entities and our employees may from time to time engage or retain, or cause the companies in which an Account makes investments to engage, retain or otherwise transact with, service providers and joint venture partners in connection with the operations, activities and business of an Account or one or more of its investments. Certain service providers, joint venture partners or their affiliates (including lenders, bankers and investment and commercial banking firms) may also provide services to, serve as joint venture partners of or have business, financial, personal or other relationships or arrangements with Crow Family Holdings, CHI, Crow Holdings Capital, advisory clients of Crow Holdings Capital, certain of our senior employees and/or certain of our affiliates. In addition, one or more of an Account's service providers or joint venture partners may be investors in another Account and/or sources of investment opportunities for one or more Accounts. Certain of our employees and our affiliates have or may have ownership or financial or other interests in certain service providers and/or joint venture partners to an Account. These and other factors may influence us and our affiliates in determining whether or not to select or engage or recommend such a service provider or joint venture partner for an Account or any investment. Notwithstanding the foregoing, investment transactions for an Account that require the use of one or more service providers generally will be allocated to service providers on the basis of our judgment as to best execution, the evaluation of which may include, among other considerations, such service provider's provision of certain investment-related services and research that we believe to be of benefit to such Account.

In certain circumstances, service providers or their affiliates may charge different rates or have different arrangements for services provided to us, the general partner or manager of a pooled investment fund Account, Crow Family Holdings, CHI,

Crow Holdings Capital or their affiliates as compared to service provided to Accounts and their investments, which may result in more favorable rates or arrangements than those payable by the Accounts or portfolio investments.

**Loans by the Accounts.** In connection with seeking investment opportunities, an Account may make one or more loans to investments. Any such loan made by an Account involves the risk of loss of the entire amount of such loan. Moreover, it is possible that any contemplated follow-on investment with respect to an investment may not occur, limiting such Account's ability to share in future appreciation with respect to such investment. In addition, by making such loans, an Account may be subject to various laws and regulations applicable to lenders and the holding of such loans could potentially subject such Account to "lender liability" risks.

**Credit Facilities.** The Accounts may enter into credit facilities with one or more lenders in order to, among other things, finance the acquisition of investments. Such credit facilities contain a number of covenants that, among other things, might restrict the ability of an Account and any subsidiary to acquire or dispose of investments, incur additional indebtedness, make cash distributions, make capital calls to partners, amend certain documents, such as the partnership agreement, or otherwise restrict the activities of an Account without the consent of the lenders. Economic conditions could result in higher interest rates, which could increase debt service requirements on variable rate debt and could reduce the amount of cash available for various purposes; result in lenders' ability to make capital calls to partners and/or result in an exercise of lender's remedies against the collateral securing any credit facility.

**Cyber Security Breaches and Identity Theft.** We, the Accounts and our service providers depend on information technology systems and, notwithstanding the diligence that we may perform on our or our clients' service providers, we may not be in a position to verify the risks or reliability of such information technology systems. We, the Accounts and our service providers are subject to risks associated with a breach in cybersecurity. "Cybersecurity" is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. Our information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although we have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, we may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in our operations 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). Such a failure could harm our reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect its business and financial performance. Such damage or interruptions to information technology systems may cause losses to our clients or individual investors by interfering with our operations and/or the operations of the Accounts. The Accounts may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose us or the Accounts to civil, legal or regulatory liability as well as regulatory inquiry and/or action, and the Accounts may be required to indemnify us against any losses incurred in connection therewith. Cybersecurity issues and risks are currently a major focus area of the SEC and other regulatory authorities.

**Transactions with Investors and Co-Investors.** We and our affiliates from time to time engage in transactions with actual or prospective investors in a pooled investment fund Account, advisory clients and co-investors that entail business benefits to such investors or clients. Such transactions may be entered into prior to, or coincident with, an investor's admission to a pooled investment fund Account (or commitment to co-invest) or during the term of their investment. The nature of such transactions can be diverse and may include benefits relating to one or more advisory clients and their respective investments or portfolio companies. Examples include the ability to co-invest alongside advisory clients, sales of companies or assets to investors or clients, loans to co-investors or joint venture partners by us or our affiliates. An Account may sell investments to any third party, including investors in a pooled investment fund Account or any other Accounts.

**Tax Law Developments.** Recent developments and changes in the tax laws of the United States and other jurisdictions could have a material effect on the tax consequences to Accounts and investors in any pooled investment fund Account. Particularly, the recently enacted Tax Cuts and Jobs Act (the "TCJA") introduced significant changes in many areas of tax law that may have a material impact on a prospective investor or client's investment activities. Treasury Regulations thereunder and other guidance are still forthcoming and there may be additional legislation or regulations enacting technical and other corrections or other changes that may materially change the scope or the application of the TCJA. Each prospective investor or client should consult with its own tax and other advisors regarding recent tax changes and potential future changes.

**Presentation of Performance.** For most Accounts, especially those that are pooled investment funds, net performance will be calculated on an aggregate basis after taking into account all fees and expenses actually borne by investors in the client as a group, but does not take into account any taxes borne or deemed to be borne by investors (such as taxes applicable to an investor because of its domicile). With respect to any particular investment vehicle, differences in timing of an investor's investment to the vehicle and the economic and other terms applicable to certain investors therein may increase or decrease the net performance information realized by such investors and, accordingly, the actual net performance information of a particular investor may differ from the net performance information disclosed to such investors.

**THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE DESCRIPTION OF ALL OF THE RISKS AND CONFLICTS THAT MAY BE ASSOCIATED WITH THE ACCOUNTS. PROSPECTIVE CLIENTS AND INVESTORS SHOULD READ THIS BROCHURE AND ALL OTHER APPLICABLE GOVERNING, ACCOUNT AND DISCLOSURE MATERIALS IN THEIR ENTIRETY BEFORE MAKING ANY INVESTMENT DECISIONS.**

## **ITEM 9: DISCIPLINARY INFORMATION**

Not applicable.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### MATERIAL RELATIONSHIPS WITH AFFILIATED AND OTHER PERSONS

We are affiliated and share office space, service providers and certain employees, as applicable, with (i) Crow Family Holdings, a family office established to own and manage the wealth and direct the investments of, and provide various other services to, the Trammell Crow family and affiliated entities (“Crow Family Holdings”); (ii) Crow Holdings Capital Partners, L.L.C., d/b/a Crow Holdings Capital, an investment management firm and SEC-registered investment adviser (“Crow Holdings Capital”); (iii) CHI; and (iv) Trammell Crow Residential Company, a multifamily real estate company (“TCR”). A majority of our ownership interests is ultimately owned by Crow Family Holdings. While Crow Family Holdings is a passive equity owner and will not be involved in our day-to-day management, as an owner, it has the authority to take certain actions with respect to us, including the authority to replace or remove our management team. Notwithstanding the foregoing, we generally intend to keep our business activities and operations separate and independent from the business activities and operations of Crow Family Holdings and its subsidiaries (including CHI, Crow Holdings Capital and TCR) and expect to establish procedures and guidelines in an attempt to segregate our activities from the activities of Crow Family Holdings, Crow Holdings Capital, CHI and TCR. Notwithstanding the foregoing, the activities of Crow Family Holdings, Crow Holdings Capital, CHI, TCR, their respective affiliates and the Crow family may present actual or potential conflicts of interest, including, but not limited to, the conflicts discussed in this brochure.

As described above, CHI, an industrial real estate company, is a wholly-owned subsidiary of Crow Family Holdings and is affiliated with us. Similar to MCM, a majority of the ownership interests in Crow Holdings Capital is ultimately owned by Crow Family Holdings. MCM’s, Crow Holdings Capital’s and CHI’s relationship to Crow Family Holdings (and each other) and their respective activities in the real estate industry may present potential or actual conflicts of interest from time to time. Properties and entities in which an Account may have an ownership, financial or other interest may be in direct or indirect competition with properties and entities in which other Accounts, Crow Family Holdings, CHI, Crow Holdings Capital, advisory clients of Crow Holdings Capital or any of their respective affiliates have an ownership, financial or other interest. In addition, any other Accounts, Crow Family Holdings, CHI, Crow Holdings Capital, advisory clients of Crow Holdings Capital and their respective affiliates may be subject to conflicts of interest with respect to the selling, leasing or financing of any properties owned by an Account or owned by entities in which an Account has an ownership, financial or other interest. While our business activities and operations generally will be conducted separately and independently from the business activities and operations of Crow Family Holdings, Crow Holdings Capital and CHI, certain of our officers, employees and supervised persons serve or may serve as officers, directors, employees and/or supervised persons of (or otherwise provide services to) Crow Family Holdings, Crow Holdings Capital and/or certain CHI entities. Accordingly, there may be conflicts of interest between such individuals’ duties as officers or employees or agents of us and such individuals’ duties as officers, directors, employees or agents of Crow Family Holdings, Crow Holdings Capital and/or such CHI entities. With respect to any such officers or employees, we may rely on Crow Holdings Capital to maintain certain required books and records including, without limitation, personal trading records required by Rule 204-2(a)(13) under the Advisers Act. Certain of these individuals are or may be subject to the policies and procedures of Crow Holdings Capital when performing its regulated activities in addition to our policies and procedures.

We may enter into or otherwise engage in other business dealings, transactions, arrangements or interactions with or alongside, CHI (and CHI entities) and certain of our other affiliates from time to time and such business dealings, transactions or interactions may present actual and potential conflicts of interest.

We expect to enter into an agreement with Standish Management, LLC (“Standish”) to provide accounting, administrative and various other services with respect to the Accounts and investment vehicles related thereto, and all or a portion of the fees for such services may be paid by one or more of the applicable Accounts. Standish also provides accounting, administrative and other services to Crow Holdings Capital, Crow Family Holdings and various affiliates thereof. We may engage or retain various other service providers or vendors to provide various administrative and other services to us in respect of clients (including services designed or intended to assist us in providing advisory and other services to a client). In connection with such services, a service provider or vendor may have access to or otherwise be in possession of non-public personal information regarding clients and investors and other confidential information.

We, the Accounts and affiliates thereof may form or enter into joint ventures with third parties in certain instances to acquire investments. In order to offset increased costs associated with any such joint venture, we or our affiliates may receive fees from such third parties where such affiliates function as the manager of any such joint venture. Moreover, if certain hurdles and conditions are met, a joint venture partner often will be entitled to receive incentive-based compensation or carried interests from or with respect to such joint venture.

We, the general partners or manager of any pooled investment vehicle Accounts and our affiliates may from time to time engage, or cause companies or vehicles in which an Account makes investments to engage, service providers and joint venture partners in connection with the operations of such Account or its investments. Any service providers and joint venture partners of an Account may be service providers or joint venture partners to or of other Accounts or any of their affiliates or our affiliates (including Crow Family Holdings).

#### **RELATED SERVICE PROVIDERS**

Crow Family Holdings and Crow Holdings Capital may provide administrative and support services to us and our affiliates and certain of our employees, officers and affiliates provide (or may in the future provide) services to, or serve (or may in the future serve) in varying capacities with respect to, CHI, Crow Holdings Capital, Crow Family Holdings or affiliates thereof. In particular, the Chief Executive Officer of Crow Family Holdings will serve as a vice president or officer of MCM and is expected to be involved in our businesses and activities in his capacity as an officer of MCM. In addition, one or more members of our Investment Committee also serve and may in the future serve on investment committees at Crow Holdings Capital, CHI or other affiliates. The administrative and support services provided by Crow Family Holdings to us, Crow Holdings Capital and CHI will include, among other things, maintaining office facilities, furnishing the services of certain personnel on a part-time basis, and furnishing certain administrative services and office supplies.

Notwithstanding the foregoing, all decisions, recommendations, consents and other determinations (including all investment advisory decisions made with respect to the Accounts) will be made exclusively by us in accordance with the terms of the applicable governing or account documents, and not by Crow Family Holdings, CHI, Crow Holdings Capital or any of their other affiliates.

#### **RECEIPT OF COMPENSATION AND OTHER BENEFITS**

Our interests and the interests of our personnel and affiliates may create potential conflicts in the selection or recommendation of investments on behalf of the Accounts. We make determinations regarding which investments to make available or recommend to Accounts in a manner we believe to be consistent with our fiduciary duties and terms, conditions, guidelines, limitations, objectives and other requirements set forth in the applicable governing, account and/or



offering documents. We, our affiliates or our clients may derive ancillary benefits from certain decisions or recommendations made or transactions entered into in respect of or with certain investments.

We will act as investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the fiduciary standards imposed upon us as a matter of law and the applicable terms, conditions, guidelines, objectives and requirements set forth in the applicable governing or account documents.

## **OTHER ACTIVITIES AND AFFILIATIONS**

From time to time, certain of our employees and affiliates may serve as directors and officers of, and provide advice or services to, privately held entities or other real estate ventures in which our clients invest or otherwise have financial or other interests, and such employees may be required to make decisions that consider the best interests of such entities or other real estate ventures. In certain situations, conflicts of interest could arise between such individual’s duties as our officer or employee and his or her duties as a director or officer of such other entity or real estate venture.

## **AFFILIATED GENERAL PARTNERS OR MANAGERS**

Certain of our affiliates will serve as special purpose general partners or managers of one or more of the pooled investment fund Accounts. With respect to each Account, we expect to be appointed, retained and engaged as sole investment manager to provide investment management, administrative and/or other services with respect to such Account.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **CODE OF ETHICS**

We will adopt and implement a code of ethics, which will set forth standards of business conduct for our supervised persons. Our code of ethics will be designed to educate supervised persons about our philosophy regarding ethics and professionalism, emphasize our fiduciary duties to clients, encourage supervised persons to comply with applicable laws, prevent the misuse of material non-public information and address material conflicts of interest that may arise from personal trading or investing by access persons. Subject to the limitations of the code of ethics, access persons may buy and sell securities or other investments for their personal accounts. We will also maintain certain policies and procedures designed to prevent supervised persons from misusing material non-public information and to address certain actual and potential conflicts of interest that may arise when supervised persons accept, provide, offer or give gifts or entertainment events. We will adopt a political contributions policy to facilitate compliance with rules regarding the political activities of registered investment advisers doing business with government entities (referred to as “pay to play” rules). We may cooperate and coordinate with Crow Holdings Capital regarding compliance-related matters applicable to our supervised persons who are also supervised persons of Crow Holdings Capital. We will furnish a copy of our code of ethics to clients upon request.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS; OTHER CONFLICTS OF INTEREST**

We may recommend or make investments on behalf of the Accounts in industrial real estate properties and/or other real estate or real estate related assets, properties and entities (i) in which we, Crow Family Holdings, CHI, Crow Holdings

Capital, advisory clients of Crow Holdings Capital, certain of the other Accounts and/or their respective affiliates have or may have economic, business, personal, financial or other interests, or (ii) from which we, Crow Family Holdings, CHI, Crow Holdings Capital, advisory clients of Crow Holdings Capital, certain of the other Accounts and/or their respective affiliates may receive services, products or other items of value. If an Account invests in a property or other asset established, managed, sponsored, advised or controlled by us, Crow Family Holdings, CHI, Crow Holdings Capital, advisory clients of Crow Holdings Capital, certain of the other Accounts or their respective affiliates, we may have potentially conflicting loyalties and responsibilities regarding the applicable Account and such property or other asset, and certain other conflicts of interest may be inherent in the situation. We will effect these transactions in accordance with fiduciary requirements and applicable law (which may include disclosure and consent).

Various other actual and potential conflicts of interest exist (or may exist) between or among us, our principals, employees and agents, Crow Family Holdings, CHI, Crow Holdings Capital, the Crow family and/or any of their respective affiliates, on the one hand, and one or more of the Accounts, on the other hand. If any matter arises that we determine constitutes or may constitute a material conflict of interest, we may, subject to the terms and conditions set forth in the applicable account or governing documents, take such actions as we determine in good faith may be necessary or appropriate to ameliorate or otherwise address or mitigate the conflict, including, without limitation, consulting with or seeking the approval of the client, the investor(s), an applicable advisory committee or an independent third party with respect to such conflict. There can be no assurance that we will be able to resolve all conflicts of interest in a manner that is favorable to the applicable client(s).

#### **CROSS AND PRINCIPAL TRANSACTIONS**

To the extent permitted by applicable law and the applicable governing or account documents, we, acting on behalf of any Accounts, may enter into or cause clients to enter into, or otherwise recommend, transactions in securities, financial instruments, properties and other assets with ourselves or our affiliates, and may cause such Accounts to engage (or otherwise recommend that Accounts engage) in principal and cross transactions. We may face conflicts of interest that could influence our decision to engage in or recommend such transactions for such Accounts. Principal transactions may occur if we, on behalf of any Accounts, engage in a transaction in securities or other instruments with ourselves or an affiliate acting as principal. We may earn compensation or receive benefits in connection with these transactions. For example, any transactions between an Account, on one hand, and another Account, on the other hand, may be deemed to be a principal transaction under Section 206(3) of the Advisers Act. Cross transactions may occur if we cause an Account to buy securities or other investments from, or sell securities or other investments to, the account of one of our affiliates. We may have conflicting loyalties and responsibilities to the parties in such transactions, and will develop policies and procedures in relation to such transactions and conflicts. We will review each of the foregoing transactions and take such steps as we deem necessary or appropriate to ensure that the terms of transactions are fair and reasonable, including, without limitation, seeking the approval of the client or investor (or a duly appointed independent representative of such client or investor) or the advisory committee of an Account with respect to such principal transaction. We will effect these transactions in accordance with fiduciary requirements and applicable law (which may include disclosure and consent).

#### **VALUATIONS**

Subject to the terms and conditions of the applicable governing and account documents, the fair value of all Account investments generally will be determined in accordance with our valuation policies and procedures. In certain instances, we or an affiliate may retain an independent third party to conduct an appraisal of all or a portion of an asset or property. All valuation determinations with respect to a client or its assets or investments generally will be conclusive, final and binding

on such client and its applicable investors.

#### **DIFFERENCES AMONG CLIENT ACCOUNTS; OTHER ACTIVITIES**

Our decisions and actions and recommendations may differ among or between Accounts. Advice given or recommendations made to, or investment decisions or recommendations made for or on behalf of, one or more Accounts may compete with, affect, differ from, conflict with, or involve timing different from, advice or recommendations given or investment or other decisions made for or on behalf of other Accounts.

In the course of our activities, including activities and recommendations on behalf of the Accounts, we may acquire confidential information or otherwise become restricted in our investment activities. In such event, we may not be free to act upon such confidential information in the course of performing our duties for clients, and we may not be able to initiate a transaction for an Account that we otherwise would have initiated, with the result being that we are unable to purchase or dispose of a property or other asset. Such restrictions would apply even if we were not involved in, and could not have benefitted from, the receipt of such information.

#### **OTHER POTENTIAL CONFLICTS**

The legal and/or organizational or governing or account documents of an Account or the agreements in respect of an investment generally will establish complex arrangements among the parties. Questions may arise from time to time under these agreements regarding the parties' rights and obligations in certain situations, many of which may not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, may be broad, general, ambiguous or conflicting, and may permit more than one reasonable interpretation. At times there may not be a provision directly applicable to a situation. While we will construe the relevant agreements in good faith and in a manner consistent with our legal obligations, the interpretations adopted may not be, and need not be, the interpretations that are the most favorable to a client or investors.

### **ITEM 12: BROKERAGE PRACTICES**

#### **ALLOCATION OF INVESTMENT OPPORTUNITIES**

We may face actual and potential conflicts of interest in allocating investment opportunities between or among applicable Accounts (including conflicts as a result of differences in the financial or fee structure of any Accounts that would potentially participate in any such opportunity). Our general policy will be to allocate investment opportunities among our applicable clients in a manner we determine in our sole discretion to be fair and equitable under the circumstances and in accordance with the applicable governing, account and/or disclosure documents of each Account. **See Item 6.**

Except as otherwise set forth in the applicable governing, offering and/or account documents of an Account, we generally will not be required to accord exclusivity or priority to any Account with respect to any particular investment opportunities (nor will we be required to recommend or make any investment opportunity available to any Account). To the extent a particular investment opportunity may be appropriate or suitable for more than one Account (as we determine in our discretion), such investment generally may be allocated, offered or otherwise made available only to one or more or none of such applicable Account(s) or between or among one or more of such applicable Accounts in accordance with our general allocation principles and procedures, the terms of the applicable governing and account documents and various

factors and considerations deemed relevant or appropriate by us in our sole discretion. We or our affiliates may engage in transactions or investments or cause or advise other clients to engage in transactions or investments that may differ from or be identical to the transactions or investments engaged in by us or our affiliates for or the advice given by us with respect to another client's account.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **REVIEWS OF ACCOUNTS**

Our investment committee of MCM generally will review and approve all investment and disposition decisions and financing decisions with respect to each discretionary Account and will use reasonable and appropriate efforts to ensure that investments made by or on behalf of Accounts are consistent with the investment objectives, policies and guidelines set forth in the applicable governing and/or account documents. Appropriate records, research and due diligence files will be maintained with respect to each investment made by an Account. Additionally, our Investment Committee will provide oversight of Account investments through regular meetings and, at least annually, reviews of each investment, including applicable budget, forecast and projection.

With respect to accounting matters, an independent public accounting firm may be engaged by us or an affiliate to conduct an annual audit of any pooled investment vehicle Account.

### **FACTORS TRIGGERING ADDITIONAL REVIEWS**

In addition to periodic reviews, additional reviews may be undertaken in response to, among other things, changes in market or economic conditions, changes in the underlying real estate assets or other investments, or changes in an Account's investment objectives or policies.

### **REPORTS**

We expect to provide clients and investors with periodic unaudited financial statements (which may include a balance sheet, income statement and statement of partners' capital) and, with respect to pooled investment vehicle Accounts, annual audited financial statements (including a balance sheet, income statement, and statement of partners' capital). After the close of each taxable year, we expect to provide investors in a pooled investment vehicle Account with tax information for the preparation of their respective federal income tax returns. We may provide other reports and information to investors or clients from time to time pursuant to the terms and conditions of the applicable governing and account documents.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Except as set forth in **Item 12**, we currently do not and do not expect to receive any economic benefit from any person who is not a client for providing investment advice or other advisory services.

## **REFERRALS**

We may enter into agreements or arrangements with solicitors or third party placement agents who refer clients or investors to us. For their referral or placement agent services, such persons may receive compensation from us (or our affiliates) which may be (i) a percentage of the management fee and/or performance-based fee, (ii) allocation paid to us or our affiliates by such investors and clients, (iii) a percentage of an investor's or client's commitment, or (iv) a flat fee. Investors and clients generally will not be charged any higher or additional fee as a result of such agreements or arrangements. However, in certain instances, referral fees and expenses may be borne by one or more clients, subject to the applicable offering, governing or account documents. In every instance, all arrangements and payments of referral fees will be disclosed to applicable investors or clients.

## **ITEM 15: CUSTODY**

We may have or may be deemed to have custody of all or a portion of an Account's cash or securities. To the extent required by Rule 206(4)-2 under the Advisers Act, each Account's cash and securities (other than "privately offered securities," as defined in Rule 206(4)-2 under the Advisers Act) will be held with one or more qualified custodians selected by us or an affiliate (or by the applicable client or investor). Subject to the terms of the applicable governing documents, we or the applicable client or investor may change custodians at any time and from time to time. With respect to a pooled investment vehicle Account, a PCAOB-registered independent public accountant selected by us or the applicable general partner or manager (or the applicable investor) generally will conduct annual audits of such Account, and audited financial statements (prepared in accordance with generally accepted accounting principles) will be provided to investors in such Account on an annual basis in accordance with the applicable requirements of Rule 206(4)-2 under the Advisers Act.

With respect to any Accounts other than pooled investment vehicles, we do not expect to have custody of the cash and securities in any such Account.

## **ITEM 16: INVESTMENT DISCRETION**

### **DISCRETIONARY AUTHORITY**

Subject to the terms and conditions of the applicable governing or account documents, we may either (i) have discretionary power and authority over the types and amounts of investments to be bought or sold with respect to a client or (ii) provide non-discretionary advice and recommendations with respect to an Account, where we make investment recommendations and the applicable investor or client has the ultimate responsibility and discretion to determine whether or not to take or implement or approve our recommendations. With respect to a non-discretionary Account, we may have the authority or responsibility to arrange or effect any investment that is approved in advance by the applicable investor or client.

### **LIMITED POWER OF ATTORNEY**

Investors in one or more of the Accounts may grant a limited power of attorney to us and/or our affiliates in order to enable us or our affiliates take certain actions with respect thereto. In general, we and/or an affiliate may have a limited or special power of attorney with respect to an Account in order to permit us to manage and operate such Account in accordance with the terms of the applicable governing or account documents.

## **ITEM 17: VOTING CLIENT SECURITIES**

Each Account is expected to invest indirectly in real estate and real estate related assets, so we generally do not expect to be called upon to vote proxies at this time with respect to publicly traded securities. Nevertheless, in the event that we or any of our affiliates are called upon to vote proxies, we will vote proxies in accordance with the policies and procedures set forth in our compliance manual. In general, our policy will be to vote proxy proposals, amendments, consents or resolutions in a manner that serves the best interests of the applicable Accounts, as determined by us or our affiliates. Copies of our proxy voting policy, together with any information regarding how we have voted past proxies, if any, will be made available to our clients upon request.

## **ITEM 18: FINANCIAL INFORMATION**

We do not have any financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients, nor have we been the subject of any bankruptcy proceeding.

## **GENERAL INFORMATION**

### **PRIVACY POLICY**

We will adopt policies and procedures that we believe to be reasonably designed to protect various records and information of clients and investors and to detect, prevent and mitigate identity theft. Except as otherwise disclosed to clients or investors, set forth in our privacy statement or authorized by each client and/or investor, private information about clients and/or investors will be disclosed only as permitted by applicable law to our affiliates and service providers, including our accountants, administrators, attorneys, brokers, custodians, and transfer agents, and to financial institutions pursuant to joint agreements between such institutions and us.