

## **BRIDGE33 INVESTMENT MANAGEMENT LLC**

Form ADV Part 2A  
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<http://www.bridge33capital.com>  
**March 31, 2022**

This brochure provides information about the qualifications and business practices of Bridge33 Investment Management LLC, LP. If you have any questions about the contents of this brochure, please contact Andy Chien, Bridge33's Chief Compliance Officer, at (206) 538-0083 or [andy@bridge33capital.com](mailto:andy@bridge33capital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Any reference to Bridge33 as a registered investment advisor does not imply a certain level of skill or training.

Additional information about Bridge33 also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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***Item 2: Material Changes***

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This is an annual amendment for the year ended December 31, 2021. Since the last amendment filed on December 23, 2021, there have been no other material changes to this brochure.

Investors are encouraged to review this brochure in its entirety. The information set forth in this brochure is qualified in its entirety by the applicable offering and governing documents. In the event of a conflict between the information set forth herein and the applicable offering and governing documents, the information set forth in the applicable offering and governing documents shall control.

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**Item 3: Table of Contents**

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**Item 4: Advisory Business**

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**Item 4.A: General Description of Advisory Firm**

Bridge33 Investment Management LLC is an investment advisory firm with its principal place of business located in Seattle, Washington. Bridge33 Investment Management LLC, will be referred to in this brochure as “Bridge33”, “Adviser,” or the “Firm”

Bridge33 Investment Management LLC is a Delaware limited liability company and was formed in 2016 by Andy Chien and Jahan Moslehi. The firm is wholly owned by Bridge33 Capital LLC, a Washington limited liability company. Jahan Moslehi and Andy Chien are owners of Bridge33 Capital LLC.

**Item 4.B: Description of Advisory Services**

Bridge33 is a commercial real estate investment firm that provides advice on a discretionary basis to private pooled investment vehicles (“Funds”).

The primary objective of Bridge33 is to acquire commercial real estate across the country. The Firm’s focus is on value-add opportunities. The Firm has focused mainly on retail and office assets but may broaden its scope in the future.

**Item 4.C: Tailoring Advisory Services**

The Firm’s advisory services will be provided to each Fund pursuant to the terms of its formation and offering documents and will be based on the specific investment objectives, strategies or restrictions described therein. The Adviser does not tailor its advisory services to the individual needs of the investors in any Fund.

**Item 4.D: Wrap Fee Program**

Bridge33 does not participate in a wrap fee program.

**Item 4.E: Regulatory Assets Under Management**

As of December 31, 2021, Bridge33 manages approximately \$229,437,756 in regulatory assets under management on a discretionary basis.

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**Item 5: Fees and Compensation**

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**Item 5.A: Description of Compensation Arrangements****Management Fees**

The Firm will perform services for the Funds in connection with the selection and acquisition of the Funds’ investments, and the management and leasing of the Funds’ properties. The Firm (and its management) will be paid Investment Management Fees and Acquisition Fees for these services, which will reduce the amount of cash available for investment in properties or distribution to partners. In addition, the Funds will be responsible for the payment of certain expenses, which may further reduce the amount of cash available for investment or distribution.

Bridge33 or its affiliates shall be paid an investment management fee at an annual rate equal to 0.75% of the acquisition value of all investments owned or held by the Funds; provided, the annual rate shall decrease to 0.5% on the third anniversary of the last day of the Investment Period for the Funds (the "Investment Management Fee").

While management fees are not generally negotiable, the general partner of the Funds may in the future enter into side letters or similar arrangements that reduce fees with respect to certain investors.

### **Carried Interest**

The general partner of each Fund is entitled to receive an incentive distribution or "carried interest" in an amount equal to a specified percentage for each Fund; generally, 20%. The specific percentage and amount of the incentive distribution or "carried interest" will vary depending on the terms arranged for each Fund. Generally, Fund investors will receive a stated "preferred return" as described in each Fund's offering documents.

### ***Item 5.B: Manner of Fee Payment***

Management Fees as described in Item 5.A. shall be paid by the Funds out of distributable proceeds or capital contributions. The general partner may cause a subsidiary of the Funds to pay all or any portion of the Investment Management Fee.

### ***Item 5.C: Other Fees Clients May Be Charged***

Bridge33 or its affiliates shall be paid an acquisition fee equal to 0.50% of the acquisition value of the applicable investment (the "Acquisition Fee") by the Funds in connection with the making of each investment by the Funds. The general partner may cause a subsidiary of the Funds to pay all or any portion of the Acquisition Fee. The Acquisition Fee may be paid out of distributable proceeds, excess proceeds of the applicable acquisition facility or capital contributions. The Acquisition Fee shall be paid upon the closing of each investment by the Funds.

The Funds will pay or reimburse the general partner or any affiliate any expenses which are incurred by the Firm on behalf of the Funds, consistent with the terms of the Fund's governing documents. For example, each Fund will pay all costs and expenses relating to the Fund's activities, including the management fee, legal, auditing, consulting, compliance, and accounting expenses (including expenses associated with the preparation of Fund financial statements, tax returns and Schedule K-1s), and limited partner annual meetings (if any), insurance and other expenses associated with the acquisition, holding and disposition of its investments, all third-party expenses in connection with transactions not consummated, and extraordinary expenses (such as litigation).

The Funds and the club deals of Bridge33 Capital LLC (the principal owner of Bridge33) will also pay or reimburse the general partner or an affiliate, with respect to a Fund, or the managing member, with respect to a club deal, certain technological fees and expenses, including, but not limited to, expenses associated with data service providers, modeling software, operational support, information technology infrastructure, and accounting software. Each Fund and club deal will pay its pro rata share of such technological fees and expenses on the basis of committed capital. Because the allocation of such expenses is based on committed capital, it is possible that a Fund or club deal will pay more for a technological service than another Fund or club deal which uses the service more frequently; however, Bridge33 will treat all Funds and club deals, including any future investment vehicles formed, in the same manner with respect to technological fees and expenses in order to seek to ensure fairness and consistency.

Additionally, the Funds and any other clients, including but not limited to any club deals of Bridge33 Capital LLC (the principal owner of Bridge33), pay or reimburse Bridge33 Capital LLC for a portion of the compensation of the Chief Legal Officer (the “CLO”) and one or more paralegals (each, a “paralegal” and together with the CLO, the “legal department”) to Bridge33 Capital LLC, the Funds, and their affiliates. The legal department’s compensation is allocated among Bridge33 Capital LLC, the Funds and other clients based on the time each member of the legal department spends working for each entity in a given month, which is reflected as a percentage of total time in invoices prepared by members of the legal department on a monthly basis. The general partner of the Funds reviews the allocations of the legal department’s time on an ongoing basis and believes them to be fair and reasonable given the services provided by the legal department. If any questions were to arise regarding the allocations, the general partner would address them with the chief compliance officer or the CLO as needed. The general partner believes the amounts paid by each Fund and any other clients of Bridge33 and Bridge33 Capital LLC with respect to the legal department’s time are consistent with market rates. Any portion of the legal department’s compensation not paid by the Funds and other clients of Bridge33 and Bridge33 Capital LLC is paid by Bridge33 Capital LLC.

The general partner typically retains an affiliate, B33 Services LLC, for property management and leasing services for compensation at rates typically available in arm’s-length transactions. In addition, the general partner may cause the Funds (or their subsidiaries) to retain affiliates of the general partner for other necessary services relating to the investments from time to time, including, construction management, development, financing, primary or special loan servicing, marketing, brokerage or other similar services for compensation and on other terms, in each case, generally available in arm’s-length transactions; provided, that each such agreement shall permit its termination by the Funds without penalty upon the removal or withdrawal of the general partner.

#### **Item 5.D: *Timing of Fee Payments***

The Investment Management Fee shall be paid by each Fund monthly in advance beginning on the initial closing of an investment by the Funds, with subsequent installments to be paid monthly on the first business day of each month.

#### **Item 5.E: *Receipt of Compensation for Sales***

Not applicable. Neither Bridge33 nor its supervised persons are compensated for the sale of securities or other investment products.

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#### ***Item 6: Performance-Based Fees and Side-by-Side Management***

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Bridge33 or the general partner earns performance-based fees from or receives “carried interest” in its private funds. Under these payment structures, Bridge33 or the general partner generally participates in the property or portfolio return once the Fund receives a total return in excess of a specified threshold, which is usually based on an internal rate of return.

The existence of Bridge33 or the general partner’s carried interest may create an incentive for Bridge33 or the general partner to make more speculative investments on behalf of the Funds than it would otherwise make in the absence of such performance-based compensation. In addition, the method of calculating the carried interest may result in conflicts of interest between Bridge33, the general partner and the investors with respect to the management and disposition of investments, as well as the determination of the timing and amount of distributions by the Funds.

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**Item 7: Types of Clients**

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Bridge33 serves as the investment manager to the Funds. The Funds advised by Bridge33 are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”) pursuant to Section 3(c)(1) or Section 3(c)(7) of such act. Investors in the Funds are required to represent that they meet the requirements of an “accredited investor” as such term is defined in Rule 501 of Regulation D of the Securities Act of 1933, as amended and, if applicable, that they meet the requirements of a “qualified client” or a “qualified purchaser” as such terms are defined in the Investment Company Act.

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

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**Item 8.A: Methods of Analysis and Investment Strategies Generally**

Bridge33’s philosophy is to vertically integrate core aspects of the real estate investment management business. Reflecting this philosophy, Bridge33 typically manages its properties in-house and executes an intensive, boots-on-the-ground approach that emphasizes the establishment of deep relationships with tenants, vendors and key players in the local market. Bridge33 believes these deep relationships maximize property performance and synergistically benefit the acquisitions side of the business through increased access to information and leasing interest. For instance, Bridge33 has been able to convince tenants at existing Bridge33 properties to expand to newly acquired properties.

Bridge33 focuses mainly on acquiring value-add commercial real estate opportunities across the country. The Firm has focused mainly on retail and office assets but may broaden their scope in the future.

**Item 8.B. and 8.C. Material Risks Involved for Bridge33’s Strategies**

An investment in the Funds involves a significant degree of risk relating to investments in limited partnerships generally, as well as to the structure and investment objectives of the Funds in particular. In addition to the information set forth below, investors should carefully consider the risks described herein and the relevant offering documents of the Funds. The inclusion of special considerations and risk factors herein should not be construed to imply that they are described in complete detail, or that there are no other special considerations or risk factors that apply to an investment in the Funds.

**Newly-Formed Funds**

Although the key personnel of the general partner and Bridge33 have experience investing in and structuring real estate properties and real-estate-related businesses and entities, the Funds and the general partner are newly formed entities with no operating history. As a result, an investment in the Funds may entail more risk than an investment in a company with a substantial operating history.

**Long Term Investment/No Assurance of Return**

An investment in the Funds requires a long-term commitment with no certainty of return. It is anticipated that there will be a significant period of time (up to four years) before the Funds have completed their investments in projects and any investment may not be liquidated for up to 13 years after closing of the investment period. Losses on unsuccessful investments may be realized before gains on successful investments are realized. Dispositions of such investments may require a lengthy time period or may result

in distributions in kind to the partners. While it is the intention of Bridge33 and the general partner to achieve target returns over such period, other factors such as overall economic conditions, the competitive environment and the availability of potential acquirers may shorten or lengthen the Funds' holding period. Therefore, it is unlikely that the Funds will realize substantial capital gains during their early years.

The Funds' investment portfolio will consist primarily of investments in commercial real estate, and operating results in a specified period will be difficult to predict. The Funds cannot assure that they will achieve any of its investment objectives, and there is no assurance that the Funds will be able to invest their capital with attractive terms or generate returns for their investors. Even if one or more of the projects are successful, there can be no guarantee that the limited partners will receive distributions from the Funds in an amount equal to their investment. In addition, the Funds may be unable to pay or maintain cash distributions or increase distributions over time. There are many factors that can affect the availability and timing of cash distributions to the partners. Distributions will be based principally on cash available from the Funds' operations and dispositions of investments. The amount of cash available for distributions will be affected by many factors, including the Funds' ability to buy properties as offering proceeds become available, rental income from the Funds' properties, and the Funds' operating expense levels, as well as many other variables.

#### **Illiquidity of Funds' Portfolio Investments**

Most of the Funds' investments will be highly illiquid and there can be no assurance that the Funds will be able to realize any return on such investments in a timely manner, if at all. Disposition of such investments may require a lengthy time period or may result in distributions in kind to the partners. Moreover, pursuant to the Partnership Agreement, Interests are not generally transferable without obtaining the general partner's prior written consent, voluntary withdrawal of a limited partner's Interests is not allowed, and Fund interests are not redeemable. Sales may also be limited by market conditions, which may be unfavorable for sales of particular investments.

#### **No Indication of Investment Performance**

Bridge33 has limited past investment performance, the same of which is not indicative of future returns.

#### **Lack of Diversification**

**Although the Funds intend to achieve diversification of investments,** the Funds could deploy their capital in a relatively small number of investments. The Funds may also be less diversified should they raise less capital than anticipated. Accordingly, unfavorable performance by a small number of investments could have a substantial adverse impact on the returns realized by investors in the Funds.

To the extent Bridge33 concentrates the investments in a particular market, or potential types of investments, the portfolio of the Funds may become more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting that particular market. Although the general partner will attempt to minimize risk, the Funds' actual returns will be subject to numerous factors beyond the general partner's control. Because the investments are expected to be concentrated within targeted markets, portfolio diversification will be less than would be possible if the Funds were to invest in a range of real estate opportunities across several markets. Such reduced diversification may increase the volatility of the Funds' returns and could reduce the Funds' returns relative to diversified funds. In addition, during the early stages of the investment period, the Funds may hold more concentrated positions than it otherwise would.



### **Difficulty of Locating Suitable Investments**

There can be no assurance that Bridge33 will be able to identify a sufficient number of suitable investment opportunities to enable the Funds to invest all of their committed capital in opportunities that satisfy the Funds' investment objectives or that such investment opportunities will lead to completed investments by the Funds. The activity of identifying, completing and realizing an attractive investment opportunity is highly competitive, requires a substantial amount of upfront work and may involve a high degree of uncertainty. The Funds may compete for investment opportunities with many other investors, some of which will have greater resources than the Funds. Such competitors may include other private investment funds as well as financial institutions and other institutional investors. Some of these competitors may have more relevant experience, greater financial resources, and more personnel than the Funds, the general partner, Bridge33, and each of their respective affiliates. Additional funds with similar investment objectives may also be formed in the future by unrelated parties. In addition, the availability of investment opportunities generally may be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. Therefore, identification of attractive investment opportunities is difficult and involves a high degree of uncertainty, and competition for such opportunities may become more intense.

It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to the Funds and adversely affecting the terms upon which investments can be made. Increased competition for, or a diminishment in the available supply of, opportunistic investments could reduce returns to limited partners.

The business of identifying and structuring transactions of the nature contemplated by the Funds is highly competitive. There can be no assurance that the Funds will be able to invest their capital on terms favorable to the Funds or in comparison to its competitors. It is possible that the Funds will never be fully invested if insufficient quality investments are available or identified. Regardless of these factors, the limited partners may be required to pay the investment management fees based upon the entire amount of their capital commitments.

### **Potential Changes in Strategy**

While Bridge33 and the general partner intend to follow the investment strategy as described in the offering documents and governing documents of the Funds, it may change this strategy, subject to the limitations set forth in the Partnership Agreements, without a vote of, or notice to, the limited partners, which could result in the Funds making investments and engaging in business activities that are different from, and possibly riskier than, the investments described in each Fund's operative documents. In particular, a change in investment strategy, including the manner in which the Funds allocate their resources across their portfolio or the types of assets in which they seek to invest, may increase the Funds' exposure to real estate market fluctuations. In addition, the general partner may in the future increase the use of leverage at times and in amounts that Bridge33 and the general partner, in their discretion, deem prudent, and such decision would not be subject to limited partner approval. Furthermore, Bridge33 and the general partner may determine that retail properties do not offer the potential for attractive risk-adjusted returns for an investment strategy. Changes to the Funds' investment strategy with regards to the foregoing could adversely affect the Funds' financial condition, results of operations and ability to make distributions.

### **Limited Information**

Investment analyses and decisions by Bridge33 and the general partner may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the

information available at the time of making an investment decision may be limited, and Bridge33 and the general partner may not have access to complete information regarding the Investment. Therefore, no assurance can be given that Bridge33 or the general partner will have knowledge of all circumstances that may adversely affect an Investment. In addition, the general partner and/or Bridge33 expect to rely upon specialized expert input by various third-party consultants and service providers in connection with its evaluation of proposed investments.

### **Due Diligence**

Bridge33 conducts, and may use third parties to conduct, due diligence on prospective investments by the Funds. In conducting such due diligence, Bridge33's investment professionals will use publicly available information as well as information from their relationships with former and current management teams, consultants, competitors and investment bankers. Such level of due diligence may not, however, reveal all matters and issues, material or otherwise, relating to prospective investments.

In addition, Bridge33 may rely upon independent consultants in connection with its evaluation of proposed investments. There can be no assurance that these consultants will accurately evaluate such investments.

### **Fees and Expenses**

Bridge33 will perform services for the Funds in connection with the selection and acquisition of the Funds' investments, and the management and leasing of the Funds' properties. Bridge33 (and its management) will be paid fees for these services, which will reduce the amount of cash available for investment in properties or distribution to partners. In addition, the Funds will be responsible for the payment of certain expenses, which may further reduce the amount of cash available for investment or distribution.

### **Real Estate Investment – General Risks**

The investments of the Funds will be subject to the risks generally incidental to ownership of real property, including, but not limited to, uncertainty of cash flow to meet fixed and other obligations; adverse changes in local employment conditions, interest rates and real estate tax rates; changes in fiscal policies; potential environmental liabilities; and uninsured losses and other risks that are beyond the control of the Funds, the general partner, Bridge33 or the principals. There can be no assurance of profitable operations because the cost of owning real estate assets may exceed the income produced, particularly since certain expenses related to real estate and its development and ownership, such as property taxes, utility costs, rehabilitation costs, maintenance costs and insurance, tend to increase over time and are largely beyond the control of the owner. In addition, a delay in investing in real estate may adversely affect the Funds' financial condition. The Funds could be delayed in completing the acquisition of an identified property by an inability to obtain financing, whether because of the unattractiveness of financial or other terms of such financing or because of a lack of lenders making mortgage loans on any terms. The Funds cannot assure that their capital will be fully committed to property investments in a timely manner.

### **Investments in Real Estate Development Projects**

To the extent the Funds engage in the development of real estate, certain risks will exist. A decision to invest in land or buildings for development will be made based upon certain assumptions about the cost of development, time periods for completion of various phases of development, and the market value of the developed product. While there may be past experience on which to base these assumptions, many factors may change resulting in such assumptions being untrue. Such conditions may contribute to reduced

demand for the finished product due to competition, economic factors, default, or changes in the capital markets such as interest rates or the availability of capital. To the extent development costs are financed, an investment will be subject to real estate financing risks. Building construction or site development entails risks related to materials and labor cost increases, work stoppages or delays, regulatory delays, failure of performance or defective materials or workmanship by contractors and suppliers, unforeseen weather and unforeseen land conditions. Such risks can be mitigated to some extent by obtaining performance bonds, construction and development guaranties, letters of credit and/or liens on assets under construction. No assurance can be given, however, that any of the foregoing will be obtained or, if obtained, will be adequate to cover any loss resulting from any such risks.

### **Potential for Severe Weather to Affect Investment Properties**

If severe weather were to occur in geographic areas where the Fund is engaged in real estate projects, weather-related damage to property and infrastructure could increase the cost of, delay the completion of, or make it impossible to successfully complete those projects. In addition, other natural events such as earthquakes, flooding, hurricanes or climate change may impact the success of investments. While Bridge33 actively diligences these risks and work to mitigate them, there is no assurance that such attempts will always be successful.

### **Investments in Commercial Assets**

Investments in commercial properties involve certain risks in addition to those which exist for real estate properties generally. The financial failure and resulting lease default of a tenant which occupies a material amount of space at a commercial property would cause a reduction in the cash flow to the Funds or entity which owns such property. Moreover, such reduction could have the effect of decreasing the value of the property. In the event of such a termination, there can be no assurance that the Funds or the entity that owns or operates the property would be able to find a replacement tenant to occupy the space on similar terms, and it is probable that the costs incurred to renovate and prepare the space to meet the needs of a replacement tenant would be significant. It is also possible that such reductions in cash flow could result in the Funds or the entity owning the property to default on the mortgage financing secured by the property. These risks are increased in the case of net lease properties because they are generally leased to a single tenant or properties where a significant portion of the rents derive from one large tenant. The value of a property reflects the value of the tenant's ongoing lease of such property and without an ongoing lease the property may be worth significantly less. Commercial properties are also subject to competition from providers of similar or alternative space. Competitors may be able to supply space of similar or superior value at prices equal to or lower than those charged by the Funds or the entity that owns the industrial or other commercial property. Such space is also subject to obsolescence as trends, styles and technologies change, thereby requiring significant infusions of capital to remain competitive and viable in the marketplace.

### **Net Lease Properties**

Leases in net lease transactions frequently give the tenant greater discretion in using the leased premises than ordinary property leases (e.g., with respect to rights to sublease and to make alterations in the leased premises). These leases may also permit early termination of the lease under specified circumstances. The Funds may enter into net leases for properties which are especially suited to the needs of particular tenants. The value of these properties might be affected adversely by the failure of tenants to renew such leases. Some net leased properties may be suited to the needs of particular tenants and may require extensive renovations to adapt it for new purposes and new tenants may be granted rent concessions with respect to such property. It may also be difficult for the Funds to sell a specially suited property to a

party other than the tenant.

### **Maintenance Costs**

The cost of maintaining the assets of an investment will be substantial. The Funds will plan for adequate working capital to maintain the assets of an investment; provided, if circumstances change, the Funds may not have sufficient working capital to properly maintain such assets. There can be no assurance that the decisions of the general partner or Bridge33 with respect to these matters will result in future profitability of the operations or potential development.

### **Financing of Real Estate Projects**

It is contemplated that the acquisition and development of assets will be financed in substantial part by utilizing debt, which increases the exposure to loss. Principal and interest payments on indebtedness (including mortgages having “balloon” payments) will have to be made regardless of the sufficiency of cash flow from the assets. Mortgages requiring “balloon” payments may involve greater risks than mortgages where the principal amount is fully amortized over the term of the loan since the ability to repay the outstanding principal amount of the “balloon” loan may be dependent upon the ability to obtain adequate replacement financing, which will, in turn, be dependent upon interest rates and lenders’ policies at the time of refinancing, economic conditions in general and the value of the underlying assets in particular. There is no assurance that replacement financing will be available to make “balloon” payments or that, if available, any replacement financing will be on favorable terms. Depending on the level of leverage and decline in value, if mortgage payments are not made when due, one or more of the assets may be lost (and the investment therein rendered valueless) as a result of foreclosure by the mortgagee. A foreclosure may also have substantial adverse economic and tax consequences. In addition, lenders from which the Funds borrow (and in some cases tenants) may seek to impose restrictions on prepayment, future borrowing, distribution and operating policies of the Funds. It is not possible to ascertain in advance what restrictions may be imposed. Lenders may also seek to include provisions making the termination or replacement of Bridge33 in an event of default or an event requiring the immediate prepayment of the full outstanding balance of the loan.

Interest-only indebtedness may increase the Funds’ risk of default and ultimately may reduce the Funds’ funds available for distribution to the partners. The Funds may finance their property acquisitions using interest-only mortgage indebtedness. During the interest-only period, the amount of each scheduled payment will be less than that of a traditional amortizing mortgage loan. The principal balance of the mortgage loan will not be reduced (except in the case of prepayments) because there are no scheduled monthly payments of principal during this period. After the interest-only period, the Funds will be required either to make scheduled payments of amortized principal and interest or to make a lump-sum or balloon payment at maturity. These required principal or balloon payments will increase the amount of the Funds’ scheduled payments and may increase the Funds’ risk of default under the related mortgage loan. If the mortgage loan has an adjustable interest rate, the amount of the Funds’ scheduled payments also may increase at a time of rising interest rates. Increased payments and substantial principal or balloon maturity payments will reduce the Funds’ cash available for distribution to the partners because cash otherwise available for distribution will be required to pay principal and interest associated with these mortgage loans.

### **Eminent Domain**

Municipalities and other government subdivisions may, in certain circumstances, seek to acquire certain assets of the Funds through eminent domain proceedings. While the Funds may seek to contest these

proceedings, which may be costly and may divert the attention of management from the operation of the Funds, there can be no assurance that a municipality or other government subdivision will not succeed in acquiring assets of the Funds. In such event, there is a risk that the Funds will not receive adequate compensation for the assets acquired, or that the Funds will not be able to recover all charges associated with divesting these assets.

### **Environmental Liabilities**

The Funds may be exposed to substantial risk of loss arising from investments involving undisclosed or unknown environmental, health or occupational safety matters, or inadequate reserves, insurance or insurance proceeds for such matters that have been previously identified. Under various federal, state, and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws may impose joint and several liability, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved. Such liability may also be imposed without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefore as to any property are generally not limited under such laws and could exceed the value of the property and the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the cash flow and operations of the property, the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on the Funds' return. Environmental claims with respect to a specific investment may exceed the value of such investment, and under certain circumstances, subject the other assets of the Funds to such liabilities. In addition, some environmental laws create a lien on contaminated property in favor of governments or government agencies for costs they may incur in connection with the contamination.

Also, in connection with the disposition of a property, the Funds may be required to make representations about any contingent liabilities inherent in the real estate, such as environmental clean-up costs. The Funds also may be required to indemnify the purchasers of such property to the extent that any such representations are inaccurate, these arrangements may result in contingent liabilities for which the Funds may establish reserves or escrows. Even where the Funds engage a qualified environmental consultant to conduct a current environmental assessment of the property and prepare a report, these investigations and reports are no guarantee that a property has no contamination.

### **Rising Interest Rates and Variable Rate Debt**

Bridge33 expects that some assets may be financed with variable rate mortgage debt, particularly in the case of development properties and those requiring extensive renovation which will be financed with construction/interim financing. Variable rate debt may be utilized in other situations as well, such as bridge loans for transitional financing. Increases in interest rates would increase the interest expense for those assets, which would adversely affect the cash flow of the properties and the ability to pay expected distributions to the investors. Not only may there not be adequate cash flow to make distributions, rising rates may result in an inability to satisfy financial obligations at the property level. In certain instances, the Funds may enter into interest rate protection agreements to limit interest rate exposure, but no assurance can be given that such agreements will be entered into or what their cost will be.

### **Joint Venture Investments**

The Funds may participate in one or more joint ventures with non-affiliated persons. The investment by the Funds in joint ventures that own properties, instead of investing directly in the properties themselves,

may involve additional risks including, but not limited to, the possibility that the Funds' partner will become bankrupt, that such partner may at any time have economic or business interests or goals which are inconsistent or compete with the business interests or goals of the Funds and that such partner may be in a position to take action contrary to the instructions or the requests of the Funds or contrary to the Funds' policies or objectives. Among other things, actions by such a partner might have the result of subjecting property owned by the joint venture to liabilities in excess of those contemplated by the terms of the joint venture agreement, might expose the Funds to liabilities of the joint venture in excess of its proportionate share of such liabilities or might have other adverse consequences for the Funds. In addition, in a case where the Funds do not control a joint venture, there is an additional risk that the joint venturers may not be able to agree on matters relating to the property they own, the resolution of which may cause the Funds to incur substantial costs and delay the joint venture's ability to act. Although each joint owner may have a right of first refusal to purchase the other owner's interest, in the event a sale is desired, a joint owner may not have sufficient resources to exercise such right of first refusal. The Funds also may from time to time participate jointly with investment programs or other entities sponsored by Bridge33 or one of its affiliates in investments as tenants-in-common or in some other joint venture arrangement. The risks of such joint ownership may be similar to those mentioned above for joint ventures and, in the case of a tenancy-in-common, each co-tenant normally has the right, if an unresolvable dispute arises, to seek partition of the property, which partition might decrease the value of each portion of the divided property. The Funds or Bridge33 may also experience difficulty in enforcing the rights of the Funds in a joint venture with an affiliate due to the obligations the Firm may owe to the other partner in such joint venture. The joint venture partner may be able to unilaterally initiate a sales process.

### **Risks on Disposition of Certain Investments**

In connection with the disposition of an investment in a project, the Funds may be required to make representations typical of those made in connection with the sale of any business or real estate interest. The Funds may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate, incorrect or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Funds and investors to the extent that the partners have received prior distributions from the Funds or have unfunded capital commitments.

### **Commercial Mortgage-Backed Securities**

The Funds may invest in commercial mortgage-backed securities ("CMBS"), which may or may not be issued or guaranteed by the U.S. Government, its agencies or instrumentalities. CMBS are securities that reflect an interest in, and are secured by, a pool of mortgage loans on commercial real property. The mortgage loan pool is transferred to a CMBS trust and distributed as various classes of CMBS. Prepayment risk is a major risk of CMBS. CMBS are a type of debt security and are also subject to credit risk, interest rate risk, extension risk, and many of the risks of investing in the real estate that secures the underlying mortgage loans. The ability of borrowers to pay interest and repay principal on the mortgage loans held in a CMBS trust generally is not guaranteed and depends on the cash flows of the underlying commercial real estate property, which in turn depends on many factors, including the overall economic landscape, the refinancing markets for commercial mortgages, and sub-market and property specific characteristics. Most commercial mortgage loans underlying CMBS are effectively nonrecourse obligations of the applicable borrowers, meaning that there is no recourse against a borrower's assets other than the specific property encumbered as a security. If a borrower is not able or willing to refinance or dispose of the encumbered property to pay the principal and interest owed on a mortgage loan that is part of a CMBS trust, and the mortgage defaults on its interest or principal obligations, the CMBS securities held by a Fund may experience losses.

The value of CMBS held by a Fund may also be affected by, among other things, changes or perceived changes in: interest rates; factors concerning the interests in and structure of the issuer or originator of the mortgages or other assets; the creditworthiness of the entities that provide any supporting letters of credit, surety bonds, or other credit enhancements; or the market's assessment of the quality of underlying assets. CMBS react differently to changes in interest rates than other debt securities, and the prices of CMBS may reflect adverse economic and market conditions. Some CMBS have experienced extraordinary weakness and volatility over the years.

Interest-only strips are a type of derivative multi-class mortgage security in which one class will receive all of the interest (the interest-only or "IO" class), while the other class will receive all of the principal (the principal-only or "PO" class). The Funds may invest in IOs, which are extremely sensitive to changes in interest rates. IOs tend to decrease in value substantially if interest rates decline and prepayment rates become more rapid. If a Fund invests in IOs and interest rates move in a manner not anticipated by Bridge33, it is possible that the Fund could lose all or substantially all of its investment. IOs also involve the risk of loss of the entire value of the investment if the underlying mortgages are prepaid.

### **Reliance on the General Partner, the Firm and the Principals**

The Funds will be dependent upon the abilities of the general partner, Bridge33 and its Principals to identify and consummate suitable investments, execute project plans and exit investments at a profit. Control over the operation of the Funds will be vested entirely with the general partner, Bridge33 and its Principals, and the Funds' future profitability will depend largely upon their business and investment acumen. The loss of one or more of the principals could adversely affect the operation of the Funds and their ability to realize its investment objectives. The fact that the general partner's carried interest is based on a percentage of net profits may create an incentive for the general partner to cause the Funds to make riskier or more speculative investments than otherwise would be the case.

### **No Participation by the Limited Partners**

As a matter of Delaware law, investors in the Funds will have no right or power to participate in the management or control of the business of the Funds and thus must depend solely on the ability of the general partner and Bridge33 with respect to evaluating, making, and disposing of investments. Investors will have no opportunity to control the day-to-day operation, including investment and disposition decisions, of the Funds. The general partner and Bridge33 will have sole and absolute discretion in structuring, negotiating and purchasing, financing and eventually divesting investments on behalf of the Funds. The general partner, Bridge33 and their affiliates will make all acquisition decisions. Consequently, the investors will not have the right to evaluate the merits of particular investments prior to the Funds' making such investments.

### **Repayment of Certain Distributions**

In the event the Funds are unable to meet their obligations, investors may be required to repay to the Funds or to pay to creditors of the Funds distributions previously received by them. Under no circumstances, however, can investors be held liable for more than their individual committed investment plus the amount of distributions received that exceed that amount.

### **General Economic and Market Conditions**

The Funds' investments will be affected by general economic conditions and local market conditions. Economic conditions could affect interest rates, the extent and timing of the Funds' investment activities and the availability of investments. Economic conditions could negatively impact the Funds' ability to carry

out its business or cause it to incur losses.

### **Limitation of Liability and Indemnification**

The Funds' rights and the rights of the partners to take action against the general partner and Bridge33 are limited, which could limit the partners' recourse in the event that the general partner or Bridge33 takes certain actions that are not in the partners' best interests. The general partner, Bridge33 and their respective affiliates and their directors, partners, members, officers, employees, attorneys and agents will not be liable to the Funds or to the partners for any act performed or omission made by it in the absence of bad faith, gross negligence or willful malfeasance. In addition, at the discretion of the general partner, the Funds will indemnify each indemnitee for any loss, damage or expense incurred by such indemnitee on behalf of the Funds or in furtherance of the interest of the investors or otherwise arising out of or in connection with the Funds or the business of the Funds or in enforcing this indemnification, except for losses arising from such indemnitee's bad faith, gross negligence or willful malfeasance. Also, at the discretion of the general partner, the Funds will advance attorneys' fees and disbursements and other expenses incurred by an Indemnitee in connection with any matter for which indemnification may be sought. Partners will not be individually obligated with respect to such indemnification beyond their respective capital commitments and distributions. Subject to certain limitations, the partners will be obligated to return amounts previously distributed to them by the Funds in order to fund the Funds' indemnification obligations.

### **Cybersecurity Risks**

With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, investment vehicles such as the Funds and its service providers may be prone to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorized release of confidential information and causing operational disruption. Successful cyber-attacks against, or security breakdowns of, the Funds, the general partner, Bridge33 and/or third-party service providers may adversely impact the Funds or their investors. For instance, cyber-attacks may interfere with the processing of transactions, impact the Funds' ability to value their assets, cause the release of private investor information or confidential information of the Funds, impede trading, cause reputational damage, and subject the Funds to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. The Funds may also incur substantial costs for cyber-security risk management in order to prevent any cyber incidents in the future. The Funds and the investors could be negatively impacted as a result.

While the Funds and their service providers have established enhanced data-security measures, business continuity plans and information technology systems designed to prevent cyber-attacks from reoccurring in the future, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Similar types of cybersecurity risks are also present for service providers and other third parties with which the Funds do business. These service providers and other third parties may hold information and not have the same level of protection as the Funds maintain for their information or may nevertheless be subject to risk of breach even with enhanced data security measures, any of which could result in material adverse consequences for the Funds.

**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 ADVISER'S INVESTMENT STRATEGY OR**



**THAT ARE APPLICABLE TO THE FUNDS. INVESTORS SHOULD READ THE OPERATIVE DOCUMENTS, THIS BROCHURE AND ALL OTHER APPLICABLE DISCLOSURE MATERIALS IN THEIR ENTIRETY.**

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***Item 9: Disciplinary Information***

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Bridge33 and its supervised persons have no reportable disciplinary events to disclose.

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***Item 10: Other Financial Industry Activities and Affiliations***

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***Item 10.A: Broker-Dealer Activities***

Not applicable. Bridge33 is currently not applying to register as a broker-dealer and does not intend to do so.

***Item 10.B: Commodity or Futures Industry Affiliations***

Not applicable. Neither Bridge33 nor any of its management persons are registered, or have an application to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

***Item 10.C: Affiliate Relationships***

Bridge33 or the general partner may cause the Funds (or their subsidiaries) to retain affiliates of the general partner for necessary services relating to the investments, including, property management, construction management, leasing, development, legal, financing, primary or special loan servicing, marketing, brokerage or other similar services for compensation and on other terms, in each case, generally available in arm's-length transactions; provided, that each such agreement shall permit its termination by the Funds without penalty upon the removal or withdrawal of the general partner.

***Item 10.D: Investment Adviser Recommendations***

Not Applicable. Bridge33 does not recommend or select other investment advisers for its clients.

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

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***Item 11.A: Code of Ethics Generally***

Bridge33 has adopted a written Code of Ethics (the "Code") designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Advisers' employees. The Code contains policies and procedures that ensure that all personal securities trading by access persons of the Firm is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. Bridge33 requires pre-clearance for purchases of IPOs and private placements. Bridge33 requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt reporting of Code violations.

While the Firm very rarely has access to non-public information relating to public companies, as part of its Code, Bridge33 has established procedures to prevent the misuse of material, non-public information.

Bridge33 will provide a copy of the Code to any Fund investor or prospective Fund investor upon request.

**Item 11.B through Item 11.D.: *Related Person Transactions***

Principals and employees of Bridge33 may directly or indirectly own an interest in one or more of the Funds. In addition, Bridge33 and its eligible personnel may also invest in Funds of their choosing but are not required to invest in the Funds.

Bridge33, as a fiduciary, endeavors to always make decisions in the best interest of the Funds if a conflict of interest arises between the securities transactions on behalf of the Funds and the Firm's or its affiliate's employees. Applicable employees must disclose on an initial and annual basis the holdings of all personal accounts, as well as all transactions on a quarterly basis.

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**Item 12: *Brokerage Practices***

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Bridge33 currently does not engage in securities trading transactions on behalf of its Funds or utilize the services of broker-dealers for transaction related services.

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**Item 13: *Review of Accounts***

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**Item 13.A and 13.B.: *Review of Accounts***

All Fund assets are periodically monitored and reviewed by the Adviser's investment committee. The investment committee reviews each Fund in the context of its stated investment guidelines. More frequent reviews may be triggered by material changes in variables such as the market, political or economic environment.

**Item 13.C: *Client Reports***

Investors in the Funds are provided periodic financial reports such as audited financial statements, capital call statements and distribution statements. Investors also receive on a quarterly basis an update on the performance of the assets in the Funds.

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**Item 14: *Client Referrals and Other Compensation***

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**Item 14.A: *Other Compensation***

Not applicable. Bridge33 does not receive a direct economic benefit from any third party for providing investment advice or other advisory services to any Fund.

**Item 14.B: *Client Referrals***

Bridge33 does not currently compensate any person, directly or indirectly, for Client referrals.

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**Item 15: Custody**

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The Adviser maintains compliance with Rule 206(4)-2 of the Investment Advisers Act of 1940 by ensuring that the Funds are audited on an annual basis by an independent accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules.

Bridge33 will use commercially reasonable efforts to provide audited financial statements prepared in accordance with generally accepted accounting principles, or other reasonable method of accounting consistently applied, to all investors (or other beneficial owners) of the Funds within 120 days of the end of its fiscal year.

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**Item 16: Investment Discretion**

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Bridge33 manages the Funds on a discretionary basis in accordance with the terms and conditions of each Fund's offering and organizational documents. Despite this broad authority, Bridge33 is committed to adhering to the investment strategy set forth in the offering materials of each Fund.

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**Item 17: Voting Client Securities**

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Bridge33 does not generally invest in listed securities. Therefore, it is not anticipated that Bridge33 will be in a position to vote a proxy.

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**Item 18: Financial Information**

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**Item 18.A: Balance Sheet**

Not applicable. Bridge33 does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

**Item 18.B: Financial Condition**

Bridge33 is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to clients.

**Item 18.C: Bankruptcy Petitions**

Not applicable. Bridge33 has not been the subject of a bankruptcy petition at any time during the past ten years.