

RESMARK EQUITY PARTNERS, LLC**Firm Brochure**

(Form ADV, Part 2A)

March 30, 2023

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This brochure provides information about the qualifications and business practices of Resmark Equity Partners, LLC. If you have any questions about the contents of this brochure, please contact us (310) 474-8400. 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.

Additional information about Resmark Equity Partners, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration as an investment adviser with the U.S. Securities and Exchange Commission does not imply a certain level of skill or training.

MATERIAL CHANGES SINCE LAST ANNUAL UPDATE OF THIS BROCHURE

The following is a discussion of only the material changes since the last annual update of our brochure, which was made on December 31, 2021.

- **Assets under management.** Our assets under management are \$2,187,073,000 as of December 31, 2022. Further information is available under the heading "Advisory Business".

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ADVISORY BUSINESS

Resmark Equity Partners, LLC (together with its affiliated entities, “**Resmark**”), together with its affiliated general partner entities, including ORA California II, LLC, ORA California III, LLC, ORA California IV, LLC, ORA California VI, LLC, ORA California VIII, LLC, ORA California IX, LLC, Resmark Apartment Living Fund II GP, LP, Resmark Equity Partners VIII, LLC and (each, a “**General Partner**,” and collectively, together with any future general partner entities, the “**General Partners**”) is a full-service residential real estate adviser and management firm headquartered in Los Angeles, California. We have been in business since 1995 when we were known as Olympic Realty Advisors, LLC. In 2002 we became known as Resmark Equity Partners and Resmark Equity Partners, LLC has been a registered adviser since December 2001.

Our principal owners are family trusts and family limited liability companies controlled by Robert N. Goodman, Resmark’s Chairman of the Board and Chief Executive Officer.

Our business is limited to providing investment management and supervisory services to its clients, primarily consisting of certain privately offered real estate investment funds (each, a “**Fund**,” and collectively with any future private investment fund to which Resmark provides investment advisory services, the “**Funds**”). Resmark provides advice to its clients regarding all aspects of residential real estate investments. Resmark manages and advises the acquisition, financing, management, development and disposition of residential for-sale single family and multifamily units (for sale and for rent), for-rent single family units and land for development with for-sale single family housing lots for sale to builders in the Western United States and other select markets nationwide. Our clients hold interests in limited partnerships and limited liability companies managed by us which make the real estate investments. Our services include (1) real estate investment review, analysis and recommendation; and (2) real estate asset management including (a) management of property acquisition, development and disposition, (b) review, analysis and recommendation related to acquisition documentation, land use and entitlements, market and cost feasibility, (c) review, analysis and recommendation of equity co-investment and debt financing (such as a participating loan or mezzanine debt) and (d) other activities related to the foregoing.

We do not provide advice with respect to any type of publicly traded securities.

We provide our investment management services only to clients who have elected to allocate a portion of their overall investment portfolio to residential real estate related investments. Clients may impose restrictions on investing in certain types of residential for-sale single family and multifamily real estate related investments and land to be developed and improved with single family residential lots for sale to merchant homebuilders. These restrictions may be based on geography, project size, land use issues or status of development previously undertaken on the property, if any, price, and other factors meeting the client's specific investment and risk parameters. These restrictions are agreed to at the time of entering into or renewing the investment management agreement, limited partnership agreement or limited liability company agreement with the particular client (collectively, the “**Governing Documents**”), or at other times if the agreement provides for more frequent changes.

We do not participate in wrap fee programs.

As of December 31, 2022, we manage the following amount of client assets:

| | |
|-------------------------|-----------------|
| Discretionary basis: | \$2,187,073,000 |
| Non-discretionary basis | \$0 |

FEES AND COMPENSATION

With respect to the existing funds under management, and in consideration for real estate advisory services encompassing acquisition, management, development and disposition of residential real estate and real estate-related assets, Resmark receives asset management fees based upon several platforms: equity outstanding, committed investor capital, the costs to acquire and develop the project, or gross revenues from the project, in addition to performance-based/incentive fees determined by the investment returns realized from the underlying real estate investments.

We do not have a standard fee schedule, and all fees are negotiable. All fees are negotiated separately with clients and depend upon the services to be provided to the client. When we act as a sponsor of or adviser to an investment-related partnership, our fees are contained in the pertinent partnership or limited liability company documents.

Generally, we deduct fees from clients' assets, although in negotiating our fees with clients, clients may select whether to allow us to deduct fees from their assets or to be billed for fees incurred. Up to one-half of the fixed fee may be paid upon entering into a particular investment with the balance payable monthly or quarterly over the projected life of the investment. Incentive fees are payable in arrears in accordance with schedules negotiated with clients or pursuant to the terms of the investment management agreement, limited liability company agreement or partnership agreement for the particular client.

All fees that a client will pay to us will be described in an investment management agreement, limited liability company agreement or partnership agreement that we have negotiated with the client. However, a client (or the particular fund/entity in which the client has made an investment) may pay other types of fees or expenses to third parties in connection with our investment management services. These fees and expenses, which we may deduct from the client's account, include the following:

- Fees paid to consultants in connection with due diligence investigation of a particular investment including environmental, soils and geotechnical, engineering, market, and cost consultants.
- Real estate brokerage fees and commissions.
- Loan fees and commissions.
- Bank and custodial fees.
- Escrow fees.
- Legal fees.
- Property management fees.

A client or the particular fund/entity in which the client has made an investment, may incur brokerage fees or commissions when real estate related investments are sold or otherwise disposed of from their accounts, or loan fees or commissions when financing is obtained that is secured by the fund's or client's real estate related investments. For a further discussion of these practices, please refer to "Brokerage Practices" below.

Some fees are paid in advance and some fees are paid in arrears.

None of our employees or any other supervised person accepts or receives direct compensation for the sale of securities or other investment products.

In addition to the Management Fee and carried interest payable to Resmark, each Fund bears certain expenses. As set forth more fully in the Governing Documents, a Fund bears all fees, costs, expenses, liabilities and obligations relating to the Fund's (and its subsidiaries' and intermediate entities') activities, investments and business to the extent not reimbursed by a portfolio investment or applied to reduce Management Fees, including:

- (i) activities with respect to the developing (including costs and expenses of tenant and capital improvement) structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, leasing, servicing, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, subsidiaries and the Funds' actual and potential investments (including follow-on investments) and in connection with any REIT subsidiary (including fees, costs and expenses attributable to qualifying any REIT subsidiary as a REIT and maintaining such qualification), or in seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees, expenses and/or compensation related to transactions that were or may have been offered to co-investors or pursued with joint venture partners), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful;
- (ii) indebtedness of, or guarantees made by, any Fund, General Partner, Resmark or any of their affiliates on behalf of a Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto or of seeking to put in place any such indebtedness or guarantee;
- (iii) financing, commitment, origination and similar fees and expenses;
- (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services;

- (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services;
- (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with a Fund's third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), real estate title, survey, hedging, consulting (including consulting and retainer fees and other compensation paid to consultants performing investment initiatives and other similar consultants), tax and other professional services;
- (vii) property management, leasing, construction management, development, environmental and other similar services;
- (viii) reverse breakup, termination and other similar fees, including a co-investor's or potential co-investor's share of such costs;
- (ix) directors and officers liability, errors and omissions liability, crime coverage, property and casualty and general partnership liability premiums and other insurance and regulatory expenses;
- (x) filing, title, transfer, registration and other similar fees and expenses;
- (xi) printing, communications, marketing, and publicity (other than any printing, communications, marketing and publicity expenses incurred in connection with fundraising for the Funds);
- (xii) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports (including Form PF and any filings or reports contemplated by the Alternative Investment Fund Managers Directive ("**AIFMD**") or any similar law, rule or regulation), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing;
- (xiii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of a Fund and its limited partners;
- (xiv) any activities with respect to protecting the confidential or non-public nature of any information or data;
- (xv) activities or proceedings of a Fund's advisory board (including any reasonable out-of-pocket costs and expenses incurred by representatives of the General Partner, the advisory board members,

- permitted observers and other persons in attending or otherwise participating in meetings of the advisory board);
- (xvi) indemnification, (including any fees, costs and expenses incurred in connection with indemnifying any partner in a Fund or other person pursuant to such Fund's Governing Documents or otherwise and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification);
 - (xvii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith;
 - (xviii) any annual limited partner meeting or other periodic, if any, meetings of the limited partners and any other conference or meeting with any limited partner(s);
 - (xix) any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, subsidiaries or actual or potential investments (to the extent not borne or reimbursed by a subsidiary or investment of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with a Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to a Fund to the extent not paid by the investors investing in such entities;
 - (xx) the termination, liquidation, winding up or dissolution of a Fund;
 - (xxi) defaults by limited partners in the payment of any capital contributions;
 - (xxii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of a Fund, General Partner, Resmark and any alternative investment vehicle of a Fund, including the preparation, distribution and implementation thereof;
 - (xxiii) complying with any law or regulation related to the activities of the Funds (including regulatory expenses of the General Partners incurred in connection with the operation of the Funds and legal fees and expenses);
 - (xxiv) any litigation or governmental inquiry, investigation or proceeding involving a Fund, including the amount of any judgments, settlements or fines paid in connection therewith;
 - (xxv) any compensation paid to third-party joint venture partners, operating partners, developers, experts and other similar persons, including independent appraisers, engaged by the General Partners in connection

- with a Fund considering, making or holding an Investment in the same entity as one or more other funds or accounts sponsored by Resmark;
- (xxvi) unreimbursed costs and expenses incurred in connection with any limited partner transfer or proposed transfer;
 - (xxvii) any taxes, fees and other governmental charges levied against a Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of a Fund;
 - (xxviii) distributions to a Fund's partners and other expenses associated with the acquisition, holding and disposition of a Fund's investments, including extraordinary expenses;
 - (xxix) compliance or regulatory matters related to a Fund;
 - (xxx) any travel, lodging or meals relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities;
 - (xxxi) any organizational expenses of a Fund;
 - (xxxii) any placement fees; and
 - (xxxiv) any other fees, costs, expenses, liabilities or obligations consented to by a Fund's advisory board.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We accept performance-based fees from all current clients. Performance-based fees are fees based on the extent to which the rates of return from an investment, or a particular pool or tranche of investments, exceed agreed-upon thresholds, and are also known as "incentive fees." Currently, we do not manage any accounts for clients for which a performance-based fee is not charged. The existence of performance-based compensation has the potential to create an incentive for Resmark to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Resmark generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals.

Because all fees are negotiated separately with each client (See "Fees and Compensation"), we manage accounts for clients who may have agreed to pay us different kinds or rates of fees, including performance-based fees, asset management fees and other fees. This creates a conflict of interest because we have an incentive to favor accounts for which we receive greater fees by recommending real estate related investments to clients who pay us higher fees over clients who pay us lower fees. We believe this conflict can be mitigated in certain circumstances by a rotation system for the

allocation of residential real estate investments between our existing clients with similar investment parameters and objectives. The record of investments so allocated is available annually to those clients subject to the rotation system upon request. Neither we nor our related persons are prohibited from engaging, directly or indirectly, in any other business or from possessing interests in any other business venture or ventures, including businesses and ventures involved in the acquisition, development, ownership, management, leasing or sale of real estate assets. Resmark, our clients and all of our respective affiliates, own interests in many other real estate related investments that may have one or more investment objectives similar to the investment objectives of other clients and prospective clients.

TYPES OF CLIENTS

We generally provide investment advice to institutional clients only, including government entities, pension and profit-sharing plans, corporations and other businesses not listed above. We have sponsored and provided investment advice to investment-related partnerships and limited liability companies whose investors include institutional investors. Resmark does not currently have a minimum account size, but the smallest current account is \$66 million.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

METHODS OF ANALYSIS

Our methods of analysis of residential real estate related investments cover all aspects of project feasibility, financial structure and market analysis at the investment market level and the development level. Special emphasis is given to the investment's anticipated holding period and an evaluation of the investment's risks and its projected returns.

Investment analysis is conducted by our internal staff who receive and analyze information about residential real estate related investment opportunities. The information on which analyses are based is obtained from (1) real estate brokers, builders and sellers of the residential real estate related investment opportunities, and is verified through on-site investigations by our staff, at least one member of our investment committee and third-party consultants, (2) industry sources, and (3) government reports. Our analysis of a given residential real estate related investment opportunity includes a comprehensive due diligence asset review, the preparation of a formal investment recommendation, and approval by our investment committee.

INVESTMENT STRATEGIES

We pursue a "value added" strategy and development-oriented platform for residential real estate related investments consisting of construction, development, sale or rental of single-family homes, and acquisition, development, construction, lease-up and management of multifamily housing communities. We also make investments in acquisitions of land for entitlement and development as single-family residential lots for sale to merchant builders. Resmark seeks opportunities in residential real estate in select

markets nationwide, although we focus primarily on investments in the Western United States.

Multifamily Real Estate

Through our value-added strategy we select opportunities to reposition and/or improve the value of acquired multifamily assets through reducing expenses, improving financing on the projects, enhancing operational efficiencies, increasing rents and other sources of revenue, and making capital improvements. For example, with multifamily residential real estate assets, we may seek revenue growth through the replacement of below-market tenancies, refurbishing public areas or retrofitting operating systems. Resmark also invests in the construction, development, lease-up and management of new multifamily communities. Most multifamily related investments are expected to be held over intermediate terms of approximately five to seven years. All real estate related investments involve risk of loss that clients should be prepared to bear. Please see "Risks of Investment" for a further discussion of some of these risks.

For-Sale Single Family Housing Properties

Resmark invests in the construction, development and sale of single-family housing projects (attached and detached) that may involve discrete single-family residential housing properties wholly-owned by the fund in which the client has invested, or joint venture investments by a fund with one or more developers/builders. A particular housing project may or may not also include incidental commercial/multifamily development and project amenities. In these investments, the client may, through a limited partnership or limited liability company, or through a joint venture agreement, indirectly own an interest in a project owner or a portfolio of project investments. With respect to those investments that are wholly-owned by a Fund, the Fund engages a third-party homebuilder to build, market and sell the finished homes for a fee which sometimes may include a participation by the homebuilder in the profit after the Fund has received its capital and a target investment return. The single-family housing investments must generally meet investment criteria specified in such Fund's Governing Documents. These for-sale single-family housing projects also involve risk of loss that clients should be prepared to bear. Please see "Risks of Investment" for a further discussion of some of these risks.

For-Rent Single Family Housing Properties

Resmark invests in the construction, development and rental of single-family housing projects (attached and detached) that may involve discrete single-family residential housing properties wholly-owned by a Fund, or joint venture investments by a Fund with one or more developers/builders. A particular housing project may or may not also include incidental commercial/multifamily development and project amenities. In these investments, the client may, through a limited partnership or limited liability company, or through a joint venture agreement, indirectly own an interest in a project owner or a portfolio of project investments. With respect to those investments that are wholly-owned by a Fund, the Fund engages a third-party homebuilder to build, market and rent the finished homes for a fee which sometimes may include a participation by the homebuilder in the profit after the Fund has received its capital and a target investment return. In some instances, and in accordance with the Governing Documents, a Resmark-affiliated development company may provide certain development services for the Fund. The

single-family housing investments must generally meet investment criteria specified in such Fund's Governing Documents. These for-rent single-family housing projects also involve risk of loss that clients should be prepared to bear. Please see "Risks of Investment" for a further discussion of some of these risks.

Unimproved Land and Substantial Development of Properties

Resmark makes investments involving the acquisition of land to be entitled (i.e., obtain the necessary land use approvals and permits), developed and improved with single family residential lots for sale to merchant homebuilders. These investments may be wholly owned by a Fund, or as a joint venture between a Fund and a third-party land developer. These types of investments, sometimes referred to as "A&D Projects", present opportunities for relatively high returns accompanied by higher risks than investments in stabilized, fully improved multifamily communities, or fully entitled for sale single family residential projects. The higher risk is due primarily to the time required (typically several years) and the uncertainty of ultimately being able to obtain the necessary land use approvals and permits from the governmental agencies having jurisdiction over the project, the risk of changes in laws and regulations before the approvals are obtained, the fact that significant amounts of capital are tied up in the land and its development with little or no revenues being generated, the risk of significant changes and swings in the economy, costs of materials and labor, and the capital and residential housing markets between time of land acquisition and ultimate marketing and sale of the land as single-family lots. Some of these risks may be mitigated by entering into forward sale agreements or option agreements with builders but, as we saw in the most recent collapse in the housing market, builders may walk away from those agreements if the projected land values or home prices deteriorate. All real estate related investments involve risk of loss and other risks that may affect the performance and value of the investment that clients should be prepared to bear. Please see "Risks of Investment" for further discussion of some of these risks.

Model Home Sale Leaseback Program

Resmark's Model Home Sale Leaseback program was established to purchase, hold, monitor and dispose of portfolios of model homes sold by homebuilders in major domestic markets and lease them back to sellers. The program sources portfolios through direct negotiations with homebuilders and exclusively purchases portfolios from homebuilders that will lease them back for a period of time that corresponds with the homebuilders' new home sales marketing campaign. The program focuses on making new portfolio purchases that satisfy specific investment criteria that includes a purchase price at a discount to appraised value, a minimum lease rate, a minimum and maximum lease term, a location within specific geographic markets, a geographic concentration within certain parameters, a maximum individual model purchase price, and a maximum profit-sharing percentage to the homebuilder.

All real estate related investments involve risk of loss that clients should be prepared to bear. Please see "Risks of Investment" for further discussion of some of these risks.

RISKS OF INVESTMENT

Each Fund and its investors bear the risk of loss that Resmark's investment strategy entails. The risks involved with Resmark's investment strategy and an investment in a Fund include, but are not limited to:

Dynamic Investment Strategy

While each General Partner generally intends to seek attractive returns for a Fund through the investment strategy and methods described herein, the relevant General Partner is permitted to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the Governing Documents. A General Partner is permitted to pursue investments outside of the regions and sectors in which Resmark has previously made investments or has experience.

Illiquidity

Real estate related investments tend to be highly illiquid which creates a risk that a client, or the investment vehicle in which the client has invested, may not be able to dispose of an investment in sufficient time in response to market conditions and other factors to realize cash proceeds that may be needed for other purposes. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual impediments such as the imposition of prepayment restrictions or penalties through asset-level debt financing.

Use of Debt Financing

Some real estate related investments may utilize a leveraged capital structure, in which case a third-party lender would be entitled to cash flow generated by the investments prior to the client's receiving a return of capital and/or profit. Fluctuations in interest rates may adversely affect the ability to successfully acquire or dispose of investments and may also adversely affect the performance of a client's investments. Use of borrowed funds to leverage acquisitions involves a high degree of financial risk and can exaggerate the effect of any increase or decrease in value of an investment and will increase the exposure of the investments to adverse economic factors, such as fluctuations in interest rates, downturns in the local economies in which the investments are located, higher rates of unemployment and underemployment, or the deterioration in the physical condition of the investments.

Leveraged Investments

A Fund is permitted to make use of leverage by incurring or having a portfolio investment or intermediate entity incur debt to finance a portion of its investment. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the

burden of debt service, and will constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio investments will increase the exposure of a Fund's investments to any deterioration in an investment's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio investments in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio investment's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio investment cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio investment, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio investment, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio investments, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio investment.

A Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio investment's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding. A Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Funds and entities managed by Resmark or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by capital commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

Subscription Lines

A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default

thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's management fee calculation, such as during periods where management fees are based in whole or in part on an acquisition cost that includes a borrowing component. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's management fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities in their entirety, including co-investors' or potential co-investors' proportionate share of such amounts, which are expected to be borne exclusively by such Fund.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in a Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to

one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio investment or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio investment or Fund subsidiary.

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

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

Competition

Real estate related investments are also subject to significant competition from developers, financial institutions and other investors who have substantial resources that may adversely affect real estate investment opportunities. Competition from a variety of sources may limit the number of opportunities to meet a client's investment objectives. However, regardless of the extent to which the capital commitments of the limited partners are invested (or drawn down to be invested), the limited partners will be required to bear management fees through the Funds during the investment period of such Fund based

on the entire amount of the limited partners' capital commitments to such Fund or investment contributions and bridge financing contributions and other expenses as set forth in the Governing Documents.

Uninsured and Uninsurable Losses

Prior to acquiring a real estate related investment, we require that commercial general liability, fire, and extended coverage insurance for the property be obtained in amounts customarily obtained for similar properties in the same general area. Some losses, however, may be either uninsurable or not economically insurable. Should an uninsured loss occur, the client could lose its investment in a property as well as its anticipated income from that property. In addition, there are certain types of losses, generally of a catastrophic nature, resulting from, for example, earthquakes, floods, hurricanes and other natural disasters, nuclear contamination and terrorist acts, that may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations, provisions in loan documents encumbering the property pledged as collateral for loans, and other factors also might make it economically impractical to use insurance proceeds to replace improvements on a property if it is damaged or destroyed. Under those circumstances, the insurance proceeds received, if any, might not be adequate to restore the investment with respect to the affected property.

Environmental Hazards

Claims based on environmental problems associated with real estate related investments may create a risk of loss to a client. Residential real estate investments may incur significant costs, expenses and delays related to environmental matters. Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real estate may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in the property. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of the hazardous or toxic substances. In addition, the presence of hazardous or toxic substances, or the failure to remediate the property properly, may adversely affect the owner's ability to borrow using the property as collateral. Persons who arrange for the disposal or treatment of hazardous or toxic substances also may be liable for the costs of removal or remediation of these substances at the disposal or treatment facility, whether or not the facility is or ever was owned or operated by the person who made these arrangements. Certain environmental laws and common law principles may be used to impose liability for the release of asbestos-containing materials ("ACMs") into the air and third parties may seek recovery from owners or operators of real properties for personal injuries associated with exposure to released ACMs. Thus, a client who acquires a real estate related investment may be potentially liable for these costs if this sort of liability were to arise in connection with the ownership of its assets. Prior to making a real estate related investment on behalf of a client, we require a qualified environmental consultant to conduct a current environmental assessment of the property and prepare a report (referred to as a Phase 1) and, if recommended by the consultant, further investigation and testing if hazardous materials are or have been present on the property; and we will not recommend investment in a property with material environmental risk. These investigations and reports, however, are no guaranty that a property has no contamination.

Terrorism and Uncertainty of War

Through our investment strategies we tend to select real estate related investments that oftentimes are located in or near major metropolitan areas of the United States. Real estate in these areas could be subject to future acts of terrorism. Future terrorist attacks and the anticipation of any such attacks could have an adverse impact on the U.S. financial and insurance markets and economy. In addition, the uncertainty of war, both here and abroad, could adversely affect financial markets and the overall economy. These adverse impacts may directly adversely impact a client's real estate related investment, through, for example, a decline in residential demand, governmental restrictions on travel, and the reduction in the availability of insurance at reasonable rates or at all. It is not possible to predict the severity of the effect that such future events would have on the U.S. financial and insurance markets and economy or a client's real estate related investment.

Governmental Regulation

Laws and regulations can significantly affect the ability to acquire, develop, finance, improve or sell residential and other real estate related investments. They can also affect operating costs for real estate related investments. These may include growth moratoriums, laws intended to reduce environmental impact of property operations, requiring retrofitting or replacement of major systems and components to reduce energy consumption, restrictions on physical expansion and limitations on traffic and parking.

Additionally, the SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of Resmark and the Funds. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact Resmark and its affiliates, the Funds and/or their investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the Funds.

Risks for All Types of Real Estate Related Investments

All real estate related investments are subject to a variety of common risks. These include the general economic climate, local real estate conditions, geographic or market concentration, competition from other properties, government regulations, and fluctuations in interest rates. In addition, real estate related investments incur the burdens of ownership of real property generally, which include the paying of operating expenses and property taxes, paying for the cost of development and/or redevelopment of the property, and maintaining the property and its improvements. As we witnessed in the most recent prolonged recession and collapse in the housing markets, the capital markets are globally connected and a disruption in the economies in Europe or Japan, for example, may have a deleterious impact on the United States economy generally and the housing markets specifically.

Public Health Emergencies; COVID-19

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted and are resulting in market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

In an effort to contain such health emergencies, national, regional and local governments, as well as private businesses and other organizations, have taken or have the potential to take restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. Any such measures have the potential to significantly diminish economic production and activity of all kinds and contribute to volatility in financial markets, demand across categories of consumers and businesses, as well as in the credit and capital markets. Restrictive measures, whether on an initial or re-imposed basis, also have the potential to cause labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, increases in unemployment levels, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds’ and their portfolio investments’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds’ ability to fulfill their investment objectives. They may also impair the ability of portfolio investments or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio investments, the General Partners and Resmark may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity’s personnel. These measures may also hinder such entities’ ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as

processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Financial Institution Risk; Distress Events

An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a **“Financial Institution”**) of some or all of the Fund’s (or any portfolio investment’s) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a **“Distress Event”**). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, Resmark, any General Partner, the Funds and/or any of their portfolio investments may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

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

Events, which could have a material adverse effect on a Fund, its investors or such portfolio investments, including the risk of investor defaults.

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

Hedging Arrangements; Related Regulations

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

Cybersecurity Risks

To the extent that a portfolio investment, Fund, General Partner, Resmark or one or more of their respective service providers is subject to cyber-attack or other unauthorized access is gained to their systems, substantial losses may occur in the form of stolen, lost or corrupted: (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, Resmark, the General Partners, the Funds and/or portfolio investments may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Resmark's, the General Partners', the Funds', portfolio investments' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to

maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio investment, or the relevant Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio investments or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Resmark or one of its service providers holding its financial or investor data, Resmark, its affiliates or the Funds may also be at risk of loss.

Privacy and Data Protection Law Compliance Risk

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

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include Resmark, the General Partners, the Funds and/or their portfolio investments.

Russia-Ukraine Conflict

The ongoing military conflict between Russia and Ukraine has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate

impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

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

U.S. Taxation of Carried Interest

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

Secondaries and other General Partner-Led Transactions

There continues to be a significant market in the private fund sector for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions for the disposition of investments, and Resmark reserves the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase a portion of one or more investments that will continue to be managed by Resmark following the transaction. Such transactions are undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where Resmark believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from

multiple Funds sponsored by Resmark and its affiliates), often on different terms than the original investment. However, certain of such transactions are expected to require: a limited partner to invest additional capital in the existing Fund and/or other investment vehicles; a greater exposure to one or more particular portfolio investment; and/or a delay in the full liquidation of its investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio investment will have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

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

DISCIPLINARY INFORMATION

None.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

We or an entity related to us may act as the general partner of a limited partnership or as the managing member of a limited liability company formed to acquire real estate related investments (collectively, the "SPVs"). We act as the investment adviser to the SPVs. Our clients have been solicited to invest in the SPVs, and we have recommended that some clients do so by acquiring securities issued by the SPVs. In these cases, we disclose in the pertinent SPV documents (on behalf of ourselves and any related persons) the nature and extent of our or their interests, including the manner of computing fees and other remuneration either of us may receive. Those clients who invest in the SPVs may also be represented by independent advisers of their own selection.

CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Our Code of Ethics requires, among other things, adherence by us and our supervised persons to standards of business conduct, fiduciary duties, compliance with Federal securities laws (including insider trading prohibitions), and reporting violations of the Code of Ethics. It also sets standards of care and responsibility, prescribes means of avoiding conflicts of interest and requires furnishing reports in appropriate circumstances. A copy of our Code of Ethics will be provided to any client or prospective client upon request.

As discussed above, we or an entity related to us may act as the general partner or as the managing member of the SPVs. We also act as the investment adviser to the SPVs. Our clients have been solicited to invest in the SPVs, and we have recommended that some clients do so by acquiring securities issued by the SPVs. In these cases, we disclose in the pertinent SPV documents (on behalf of ourselves and any related persons) the nature and extent of our or their interests, including the manner of computing fees and other remuneration either of us may receive. Those clients who invest in the SPVs may also be represented by independent advisers of their own selection.

BROKERAGE PRACTICES

We recommend and select real estate brokers for a number of functions related to our clients' real estate related investments. These functions include, among other matters, providing information to us about investments that are available for acquisition, selling real estate related investments, and arranging financing for the acquisition and development of the investments.

Factors involved in selecting a broker include the broker's experience with (1) the geographic area where the asset or collateral is located, (2) the type of asset to be sold, and (3) the typical market (buyers) for the asset to be sold. Generally, qualified brokers are requested to submit marketing plans and proposed commission schedules prior to selection. We evaluate the reasonableness of the proposed commission on the basis of

both competitive bids received and our experience in the marketplace. On occasion, we may select real estate brokers without first requiring competitive bids. In this case, brokers would be selected on the basis of our prior experience with them, the positive results obtained previously, and the strength of their reputation in the marketplace. With respect to most of the investments in the for sale single family housing space, prior to bringing the investment opportunity to us the builder (as either a joint venture partner or fee-builder) has already acquired or entered into a purchase agreement for the land utilizing the services of the builder's broker or the land seller broker, and typically the builder's in house broker and sales marketing team is responsible for the marketing and sales of the completed homes and is paid sales commissions.

We do not receive soft dollar benefits.

We do not aggregate the purchase or sale of real estate related investments for various client accounts. Real estate related investments are generally considered unique and are not generally bought or sold in bulk or on an aggregated basis in the real estate market from or to different sellers and buyers. This class of investment is different from most securities that are fungible and may provide savings when purchases or sales are aggregated for various client accounts.

REVIEW OF ACCOUNTS

Clients' accounts are reviewed on a quarterly basis. Reviews are conducted through our portfolio review process in which the performance of all clients' assets is reviewed and evaluated concurrently. Reviews are supervised by the Chairman and Chief Executive Officer, and are conducted by members of our investment committee, asset management department and finance/accounting department. Reviews may also occur upon the acquisition, sale, financing or significant capital expenditure for a real estate related investment, significant income or expense events, or unforeseen market activity.

Clients receive at least quarterly and annual written reports on account activity and operations. Each report is customized to the requirements of the client and is governed by the investment management agreement, limited liability company agreement or limited partnership agreement with the client. Clients may request specialized reports upon written request.

CLIENT REFERRALS AND OTHER COMPENSATION

Resmark and/or its affiliates intend to provide certain business or consulting services to investments in a Fund's portfolio and expect to receive compensation from these companies in connection with such services.

Resmark reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents generally will be borne by Resmark indirectly through an offset against the management fee under the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including, but not limited to, placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

CUSTODY

We may at times be deemed to have custody of client funds or securities. At such times as we are deemed to have custody of client funds or securities, clients should carefully review the financial statements and account statements they receive from us. Resmark intends to maintain any assets over which it is deemed to have custody with the following qualified custodians:

- JP Morgan Chase & Co. - New York, New York
- Key Bank, NA - Cleveland, Ohio
- First Republic Securities Company, LLC - Los Angeles, California

INVESTMENT DISCRETION

We accept discretionary authority to manage clients' real estate related investments. Clients generally limit this authority by establishing guidelines for acceptable property types and sizes, geographic regions, due diligence procedures for projects and investments, status of land use and entitlement applicable to the investment, market cost and feasibility studies, environmental review, and review of developer or builder partners, minimum insurance requirements, amounts of debt financing and other project parameters. Before assuming discretionary authority over a client's account, we negotiate with such client any limitations placed on our authority.

VOTING CLIENT SECURITIES

We do not acquire securities for client accounts for which proxies are solicited. Our business is limited to providing investment management and supervisory services to clients who desire to acquire real estate related investments. The extent and nature of our power and authority over real estate related investments acquired for clients is contained in the investment management agreement with the client, or in the client's limited partnership agreement or limited liability company agreement.

FINANCIAL INFORMATION

Resmark does not require prepayment of management fees more than six months in advance or have financial conditions or events requiring disclosure under this Brochure.

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