

ECI. In the case of an investment in an Operating Partnership that is engaged in trade or business within the U.S., the following will be considered ECI to a non-U.S. Investor:

- the non-U.S. Investor's share of the items of income, gain, loss, deduction and credit derived by the Operating Partnership from a U.S. trade or business (whether or not distributed) as determined under U.S. federal income tax rules (including interest allocation rules) generally applicable to non-U.S. persons (which may produce a result different from merely applying U.S. tax rates to the non-U.S. Investor's share of the net income of the Operating Partnership); and
- the non-U.S. Investor's share of any gain realized by the Fund upon the disposition of the Operating Partnership, and any gain realized by the non-U.S. Investor upon the disposition of and interest in the Fund, in each case, to the extent attributable to such non-U.S. Investor's share of any gain inherent in the Operating Partnership's U.S. trade or business and U.S. real property interests.

It is also possible that reductions in the General Partner's Share resulting from the receipt of fees by the Manager or its affiliates, or the receipt of payment by an Investor in respect of such fees, would be considered ECI to non-U.S. Investors.

A non-U.S. Investor is subject to tax on its allocable share of ECI at a rate of 21% for a non-U.S. corporation and a maximum rate of 37% for a non-U.S. individual. In addition, if any portion of such non-U.S. Investor's gain upon a disposition of an interest in the Fund would be treated as ECI, the proceeds of such disposition generally will be subject to U.S. federal withholding tax at a rate of 10% of the amount realized. It is possible that in any given year the tax withheld on ECI with respect to a non-U.S. Investor may be in excess of that Investor's U.S. federal income tax liability for the year. In such event, the non-U.S. Investor would be entitled to a refund of the overpayment.

A non-U.S. corporate Investor may also be subject to the 30% branch profits tax on its ECI. The branch profits tax is a tax on the "dividend equivalent amount" of a non-U.S. corporation, which is approximately equal to the amount of the corporation's earnings and profits attributable to ECI that is not treated as reinvested in the U.S. The effect of the branch profits tax is to increase the maximum U.S. federal income tax rate on ECI for a non-U.S. corporate Investor from 21% to 44.7%. Some U.S. income tax treaties provide exemptions from, or reduced rates of, the branch profits tax for "qualified residents" of the treaty country. The branch profits tax is payable by the non-U.S. Investor and not collected by way of withholding.

If sufficient interest is indicated by potential non-U.S. Investors, the Fund may offer a "blocker" structure through which such Investors may invest in the Fund.

U.S. real property holding corporations. If the Fund were to invest (including indirectly through Fund Secondaries) in stock or certain other securities of a U.S. corporation that constituted a "United States real property holding corporation" ("USRPHC"), any gain or loss of a non-U.S. Investor from the disposition of such stock or securities would generally be required to be taken into account as if it were ECI, except that the branch profits tax does not apply.

Certain reporting requirements; Reportable transactions. Certain U.S. Investors may be required to file Form 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, reporting transfers of cash or other property to the Fund and information relating to the Fund, including information relating to the Investor's Interest and allocations of the items of Fund income, gains, losses, deductions and credits to the Investor and, in some circumstances, the names and addresses of certain of the other Investors. A U.S. Investor may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation, reporting certain transfers of cash or other property to foreign corporations. In addition, certain U.S. Investors may be required to disclose on Form 8938, Statement of Specified Foreign Financial Assets, information with respect to their Interest. Investors that fail to comply with these reporting requirements may be subject to substantial penalties.

If U.S. federal tax rules relating to "reportable transactions" are applicable to the Fund (or any of the transactions undertaken by the Fund, such as its investments), Investors that are required to file U.S. federal income tax returns (and, in some cases, certain direct and indirect interest holders of certain Investors) would be required to disclose to the IRS information relating to the Fund and its transactions, and to retain certain documents and other records related thereto. Although the Manager does not believe that the subscription for an Interest is a reportable transaction, there can be no assurance that the IRS will not take a contrary position. In addition, an Interest could become a reportable transaction for Investors in the future, for example, if the Fund generates certain types of losses that exceed prescribed thresholds or