

Prospective Member:

Memorandum No.:

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

INVESTHOME REIT, LLC
Initial Target Offering of \$20,000,000
of
Class A-1 Units and Class A-2 Units

Minimum Subscription
\$10,000

The date of this Memorandum is July 1, 2024.

INVESTHOME REIT, LLC

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

This Confidential Private Placement Memorandum (the “**Memorandum**”) has been prepared on a confidential basis and is intended solely for the use of the recipient named on the cover hereof in connection with this offering (the “**Offering**”). Each recipient, by accepting delivery of this Memorandum, agrees not to make a copy of the same or to divulge the contents hereof to any person other than a legal, business, investment or tax advisor in connection with obtaining the advice of any such persons with respect to the Offering.

This Memorandum is being furnished to “qualified investors” for the purpose of providing certain information about an investment in limited liability company interests (the “**Units**”) of the Investhome REIT, LLC, a Delaware limited liability company (the “**Company**”). The Company intends to operate as a “real estate investment trust” or REIT under the Internal Revenue Code of 1986, as amended (the “**Code**”), allocating its assets among real estate assets as described in this Memorandum. The Company’s manager, who is responsible for the day-to-day management of the Company and all investment decisions made by the Company, is Investhome Capital Management, LLC, a Delaware limited liability company (the “**Manager**”). The Offering of Class A-2 Units is made only to certain non-U.S. Persons (as defined below) and the Offering of Class A-1 Units is made only to U.S. Persons who are accredited investors, and the Company shall take reasonable steps to verify the “accredited investor” status of each purchaser of Units in the Offering that is a U.S. Person. See “Procedures to Subscribe-Eligible Investors.”

The Units offered hereby are being offered pursuant to exemptions from the registration requirements of the federal Securities Act of 1933, as amended (the “**1933 Act**” or “**Securities Act**”), and the securities laws of certain states and foreign jurisdictions and may not be sold, transferred, pledged or otherwise disposed of unless the transaction related thereto shall comply with or be exempt within the meaning of the 1933 Act and the rules and regulations of the United States (“**U.S.**”) Securities and Exchange Commission (the “**Commission**” or “**SEC**”) adopted thereunder and of appropriate state authorities and applicable state securities laws. There is no public market for the Units and none is expected to develop in the future.

THE UNITS OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS THE COMMISSION OR ANY SUCH AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE UNITS ARE BEING OFFERED PURSUANT TO EXEMPTIONS FROM REGISTRATION WITH THE COMMISSION AND STATE SECURITIES REGULATORY AUTHORITIES; HOWEVER, NEITHER THE COMMISSION NOR ANY STATE SECURITIES REGULATORY AUTHORITY HAS MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREIN ARE EXEMPT FROM REGISTRATION.

Potential investors should pay particular attention to the information under the captions “Risk Factors” and “Conflicts of Interest” in this Memorandum. This Offering: (i) for Class A-2 Units is available to persons and entities outside of the United States that are not U.S. Persons as generally defined under Rule 902 of the 1933 Act; and (ii) this Offering for Class A-1 Units is available to U.S. Persons that are “accredited investors” within the meaning of Regulation D under the 1933 Act, and the Company shall take reasonable steps to verify the “accredited investor” status of each purchaser of Units in the Offering that is a U.S. Person in accordance with Rule 506 of Regulation D under the 1933 Act. Any investment in the

Company requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Company. Investors in the Company must be prepared to bear such risks for an indefinite period of time. No assurance can be given that the Company's investment objective will be achieved or that investors will receive a return of their capital.

In making an investment decision, investors must rely on their own examination of the Company and the terms of this Offering, including the merits and risks involved. Prospective investors should not construe the contents of this Memorandum as legal, tax, investment or accounting advice, and each prospective investor is urged to consult with its own advisors with respect to the legal, tax, regulatory, financial and accounting consequences of its investment in the Company.

In the event that the descriptions or terms in this Memorandum are inconsistent with or contrary to the descriptions in or terms of the limited liability company agreement (the "**LLC Agreement**") for the Company (a copy of which is attached hereto as **Exhibit A**) or the applicable Subscription Agreement for Units (a copy of which is included in the Subscription Booklet attached hereto as **Exhibit B**) ("**Subscription Booklet**"), the LLC Agreement or the Subscription Agreement (as applicable) will control.

References herein to "\$" or "Dollars" are to United States dollars.

Each prospective investor is invited to meet with representatives of the Company and to discuss, ask questions about and receive answers concerning the terms and conditions of this Offering, and to obtain any additional information, to the extent that such representatives possess such information or can acquire it without unreasonable effort or expense, necessary to verify the information contained herein. Prospective investors and their professional advisers are invited to request any further information regarding the Company from the Manager:

Investhome Capital Management, LLC
309 H St NE,
Washington, DC 20002,
Email: reit@investhome.com

No person has been authorized in connection with this Offering to give any information or make any representations other than as contained in this Memorandum, and any representation or information not contained herein must not be relied upon as having been authorized by the Company or any of its partners or affiliates. The delivery of this Memorandum does not imply that the information herein is correct as of any time other than the date on the front of this Memorandum.

The distribution of this Memorandum and the offer and sale of the Units in certain jurisdictions may be restricted by law. This Memorandum does not constitute an offer to sell or the solicitation of an offer to buy in any state or other jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such state or jurisdiction.

It is the responsibility of any persons wishing to subscribe for Units to make themselves aware of and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition holding or disposal of Units, and any foreign exchange restrictions that may be relevant thereto.

The securities offered hereby are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the 1933 Act and under applicable state securities laws, pursuant to registration or exemption therefrom, and except as permitted under the LLC Agreement with

respect to the Company and any and all amendments, modifications and supplements thereto. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

This Memorandum summarizes the contents of certain agreements and other documents, some of which may have not yet been finalized. These summaries are believed to be accurate, but reference is made to such agreements and documents for complete information concerning the rights and obligations of the parties thereto. Copies of such agreements and documents will be made available to prospective investors upon request to the Manager.

THIS MEMORANDUM IS TO BE USED BY THE OFFEREE NAMED ON THE COVER PAGE SOLELY IN CONNECTION WITH THE CONSIDERATION OF ACQUIRING THE UNITS DESCRIBED HEREIN. THE INFORMATION CONTAINED HEREIN SHOULD BE TREATED IN A CONFIDENTIAL MANNER AND MAY NOT BE REPRODUCED OR USED IN WHOLE OR IN PART FOR ANY OTHER PURPOSE, NOR MAY IT BE DISCLOSED WITHOUT THE PRIOR WRITTEN CONSENT OF THE MANAGER, EXCEPT AS REQUIRED BY APPLICABLE LAW. EACH OFFEREE ACCEPTING THIS MEMORANDUM THEREBY AGREES TO RETURN IT PROMPTLY UPON REQUEST.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, EACH PROSPECTIVE INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF SUCH PROSPECTIVE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX STRUCTURE AND TAX TREATMENT OF THE COMPANY AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO THE PROSPECTIVE INVESTOR RELATING TO SUCH TAX STRUCTURE AND TAX TREATMENT; PROVIDED, HOWEVER, THAT SUCH DISCLOSURE SHALL NOT INCLUDE THE NAME (OR OTHER IDENTIFYING INFORMATION NOT RELEVANT TO THE TAX STRUCTURE OR TAX TREATMENT) OF ANY PERSON AND SHALL NOT INCLUDE INFORMATION FOR WHICH NONDISCLOSURE IS REASONABLY NECESSARY IN ORDER TO COMPLY WITH APPLICABLE SECURITIES LAWS.

THE UNITS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE OR OTHER SECURITIES LAWS UNLESS THE SHARES ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. THE UNITS WILL BE OFFERED AND SOLD IN THE UNITED STATES UNDER THE EXEMPTIONS PROVIDED BY SECTION 4(a)(2) OF THE SECURITIES ACT AND/OR REGULATION D OR REGULATION S, AS APPLICABLE, PROMULGATED THEREUNDER AND OTHER EXEMPTIONS OF SIMILAR IMPORT IN THE LAWS OF THE STATES AND OTHER JURISDICTIONS WHERE THE OFFERING WILL BE MADE. THE SHARES WILL BE OFFERED AND SOLD OUTSIDE THE UNITED STATES UNDER THE EXEMPTION PROVIDED BY REGULATION S UNDER THE SECURITIES ACT. THE SHARES MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE OR OTHER SECURITIES LAWS, PURSUANT TO REGISTRATION OR AN EXEMPTION THEREFROM. THE TRANSFERABILITY OF THE SHARES WILL BE FURTHER RESTRICTED BY THE TERMS OF THE LLC AGREEMENT.

FOR RESIDENTS OF ALL U.S. STATES:

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE 1933 ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FOR FLORIDA RESIDENTS:

THE SECURITIES OFFERED HEREBY WILL BE SOLD, AND ACQUIRED, IN A TRANSACTION EXEMPT UNDER SECTION 517.061(11) OF THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT. THE SECURITIES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF FLORIDA. PURSUANT TO SECTION 517.061(11) OF THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT, WHEN SALES ARE MADE TO FIVE (5) OR MORE PERSONS (EXCLUDING ACCREDITED INVESTORS) IN THE STATE OF FLORIDA, ANY SALE IN THE STATE OF FLORIDA MADE PURSUANT TO SECTION 517.061(11) OF SUCH ACT IS VOIDABLE BY THE PURCHASER IN SUCH SALE (WITHOUT INCURRING ANY LIABILITY TO THE COMPANY OR TO ANY OTHER PERSON OR ENTITY) EITHER WITHIN THREE (3) DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT WITHIN THREE (3) DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER. TO VOID HIS PURCHASE, THE PURCHASER NEED ONLY SEND A LETTER OR TELEGRAM TO THE COMPANY AT THE ADDRESS INDICATED HEREIN. ANY SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED THREE (3) DAY PERIOD. IT IS PRUDENT TO SEND ANY SUCH LETTER BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ASSURE THAT IT IS RECEIVED AND ALSO TO HAVE EVIDENCE OF THE TIME THAT IT WAS MAILED. SHOULD A PURCHASER MAKE THIS REQUEST ORALLY, THAT PURCHASER MUST ASK FOR WRITTEN CONFIRMATION THAT THE REQUEST HAS BEEN RECEIVED. IF NOTICE IS NOT RECEIVED WITHIN THE TIME LIMIT SPECIFIED HEREIN, THE FOREGOING RIGHT TO VOID THE PURCHASE SHALL BE NULL AND VOID.

NOTICE TO ALL NON-U.S. INVESTORS GENERALLY

IT IS THE RESPONSIBILITY OF ANY PERSONS WISHING TO SUBSCRIBE FOR THESE INTERESTS TO INFORM THEMSELVES OF AND TO OBSERVE ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTIONS. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING OR DISPOSAL OF THESE INTERESTS, AND ANY FOREIGN EXCHANGE RESTRICTIONS THAT MAY BE RELEVANT THERETO.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Memorandum includes “forward-looking statements” within the meaning of various provisions of the 1933 Act and the Securities Exchange Act of 1934, as amended (the “**1934 Act**”). These forward-looking statements should not be construed as exhaustive. Forward-looking statements are beyond the ability of the Company or the Manager to control and in many cases the Company and the Manager cannot predict what factors would cause actual results to differ materially from those indicated by the forward-looking statements.

Readers of this Memorandum, and any document incorporated by reference herein, are advised that this Memorandum, and any documents incorporated by reference into this Memorandum, contain both statements of historical facts and forward-looking statements. Forward-looking statements involve certain risks, assumptions and uncertainties that may cause actual results to differ materially from those indicated by the forward-looking statements. Examples of forward-looking statements include, but are not limited to: (i) projections of revenues, income or loss, earnings or loss per share, capital expenditures, dividends, capital structure and other financial items; (ii) statements of the plans and objectives of the Company or the Manager, including the estimates or predictions of actions by partners, customers, suppliers, competitors or regulatory authorities; (iii) statements of future economic performance; and (iv) statements of assumptions underlying other statements and statements about the Company or the Manager or their respective businesses.

This Memorandum and any documents incorporated by reference herein also identify important factors that could cause actual results to differ materially from those indicated by the forward-looking statements. These risks and uncertainties include the factors described above and other factors that are described herein and/or in documents incorporated by reference herein. The Company qualifies any forward-looking statements entirely by these cautionary factors.

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SUMMARY OF PRINCIPAL TERMS

The following summary is qualified in its entirety by the information in the LLC Agreement, as well as information appearing elsewhere in this Memorandum. Certain capitalized terms referred to in this Memorandum that are not otherwise defined are defined in the LLC Agreement.

THE COMPANY:

INVESTHOME REIT, LLC, (the “**the Company**”) is a Delaware limited liability company, created in accordance with Delaware law for all investors of the Company (the “**Members**”, and each, a “**Member**” and, together with the Manager, the “**Members**”). The Company expects to qualify as a real estate investment trust (“**REIT**”) for federal income tax purposes. This Memorandum relates to the offering of Class A-1 Common Units of the Company (“**Class A-1 Common Units**”) to investors who are U.S. Persons and Class A-2 Common Units of the Company (“**Class A-2 Common Units**”) to investors who are non-U.S. Persons (collectively, Class A-1 Common Units and Class A-2 Common Units, are referred to as “**Units**” or “**Class A Common Units**”).¹ The Company is also anticipating offering Class B preferred units (the “**Preferred Units**”) under a separate offering memorandum.

THE MANAGER:

INVESTHOME CAPITAL MANAGEMENT, LLC (the “**Manager**”), a Virginia limited liability company and a wholly-owned subsidiary of Investhome Inc. (“**Investhome**”), a Virginia corporation.

BUSINESS OBJECTIVE:

The Company’s business objective is to seek current income (e.g., through rents or other income) and capital appreciation for its Members. As with any investment program, there are no assurances, either express or implied, by the Manager or its affiliates that such objectives will be achieved and investment results may vary substantially over time and from period to period.

STRATEGY:

The Company’s principal investment strategy is to seek to invest in and manage a diversified portfolio of multi-unit residential and mixed-use real estate properties by acquiring, developing, leasing, managing, holding for appreciation and ultimately disposing of such properties (each, a “**Property**” and, collectively, the “**Properties**”). Further, the Company may make loans to Properties or developers of Properties in connection with the development of a Property, which loans the Manager expects will be secured by the Property (each, a “**Loan**” and collectively, the “**Loans**”).

The Company may also invest in other qualified REIT investments, including, without limitation, joint real estate investments (collectively, the “**Other Opportunities**” and, together with the Properties and the Loans, the “**Investments**”), if

¹ Class A-1 Units and Class A-2 Units have similar rights under the LLC Agreement.

deemed appropriate by the Manager. Generally, see “Certain U.S. Federal Income Tax Considerations – Requirements for Qualification as a REIT” for more information.

The Manager anticipates that the Investments will consist of properties located in the United States (“U.S.”). Initially, the Company expects to focus primarily on properties in or around the Washington, DC metropolitan area (the “**Target Area**”), *provided*, that the Company may invest in Investments outside of the Target Area at any time, including properties in other metropolitan areas in the United States.

The Company will seek to target a capitalization rate (*i.e.*, cap rate) of approximately 7%. The Manager anticipates the Company’s strategy will include a range of acquisition scenarios, including acquiring Properties that are ready-to-rent or already rented, Properties in need of remodeling, and ground-up development opportunities. The Manager believes that ready-to-rent Properties present the opportunity for immediate income streams and reduced renovation costs, while already rented Properties offer stabilized cash flow with potential for value appreciation. Further, the Manager believes that Properties in need of renovation and/or remodeling present opportunities for value enhancement and increased rental income, while ground-up development projects offer long-term growth potential and customization opportunities. The typical holding period of each Property is expected to range between 3 to 6 years.

The Company expects to make investments in Properties through special purposes entities (“SPEs”), however, the Company may at times make direct investments in Properties.

Warehoused Property

It is currently anticipated that on or around the Initial Closing (as defined below), the Company will make a secured development Loan (the “**Warehoused Property Development Loan**”) to Investhome to support the development of the multifamily complex on a property located in Washington, DC, that are currently owned by Investhome (the “**Warehoused Property**”). Investhome currently expects to use the proceeds of the Warehoused Property Development Loan to develop multifamily complex.

The Manager currently anticipates that, following the development of the Warehoused Property, the Company will acquire the Warehoused Property from Investhome and satisfy the Warehoused Property Development Loan. However, there is no guarantee that the Manager will ultimately cause the Company to

	<p>acquire the Warehoused Property, and the Company is not limited to investing in the Warehoused Property.</p> <p>Additional information regarding the Warehoused Property and the expected terms of the development loan to be made by the Company are provided on <u>Schedule 1</u> (the “Warehoused Property Information”).</p>
<p>FINANCING:</p>	<p>The Company will seek to employ non-recourse debt, when possible, for investments that are leveraged. Nevertheless, in certain instances, the Manager may determine to obtain recourse debt. In such cases, the Company or its subsidiaries (as applicable) will pay compensation to the Manager, Manager Affiliates (as defined below), or third parties (including, without limitation, Members) who guarantee debt incurred by the Company or its subsidiaries. The amount of leverage used by the Company will vary, depending on the nature of the particular investment; <i>provided, however</i>, the Manager currently expect to limit the debt across all Properties owned by the Company to no more than 70% loan-to-value.² In each case, the Manager will look to employ the amount of leverage that the Manager believes will maximize returns to the Company, while minimizing costs and risks.</p>
<p>THE OFFERING</p>	<p>The Company is initially seeking to raise \$20,000,000 of capital (the “Offering”), through the sale of Class A Common Units in the Company at an initial offering price of \$10.00 per Class A Common Unit (the “Offering Price”); <i>provided, however</i>, the Manager may lower or raise the target offering at any time. The minimum subscription by each prospective investor is \$10,000; <i>provided, however</i>, the Company may accept a lesser amount in its sole discretion. Except as may be limited by the REIT ownership limitations there is no maximum subscription amount. The Company reserves the right to accept or reject subscriptions, in whole or in part, for any reason.</p> <p>The Company expects to continuously offer Units during the Offering Period (as defined below), which may be additional Class A Common Units, other classes of common or preferred units in the Company, in its sole discretion. During the offering period the Company will conduct closings, from time to time, as determined by the Manager, at which time the Offering Price and the then-current net asset value (“NAV”) of each Unit will be provided to each prospective purchaser. The Manager may make adjustments to the Offering Price if the Company makes distributions to the Members and/or if the Manager determines that a material change in the value of assets of the Company has occurred.</p>

² For the avoidance of doubt, the 70% loan-to-value limit does not apply with respect to Properties not owned by the Company, including, without limitation, the Warehoused Property.

USE OF PROCEEDS:	<p>The net proceeds from the Offering will be used by the Company to (i) make investments in the Investments in accordance with the Company’s investment objective and for general working capital purposes; and (ii) pay (or reimburse the Manager for) expenses of the Company, including, without limitation, Organizational Expenses (as defined below) and operating expenses of the Company.</p>
ADVISORY BOARD:	<p>The Manager will establish an advisory board (the “Advisory Board”) to review and approve certain the Company activities, including any material transaction by the Company with the Manager or a Manager Affiliate (as defined below) that is not otherwise described herein. Further, the Manager, in its sole judgment and discretion, may submit other investments, transactions or activities of the Company for approval by the Advisory Board, on behalf of the Members. These may include approval for transactions, investments, or actions that the Manager determines, in its sole judgment and discretion, involve a conflict of interest or otherwise should be approved by the Advisory Board. The Manager currently expects that the terms of the Company’s subsequent purchase, if any, of the Warehoused Property from Investhome or its affiliates would be submitted to the Advisory Board. Any transaction approved by the Advisory Board shall be deemed approved by the Members.</p> <p>Generally, see “Advisory Board” for more information.</p>
MANAGER’S INVESTMENT:	<p>The Manager, other entities or individuals controlling, under the control of, or under common control with, the Manager (each a “Manager Affiliate”) expect to make aggregate investments, directly or indirectly, in the Company of at least \$3,000,000.</p>
ELIGIBLE INVESTORS:	<p>Class A-1 Units are being offered to “U.S. Persons” that are “accredited investors” within the meaning of Regulation D under the 1933 Act. Class A-2 Units are being offered to persons and entities outside of the United States that are not “U.S. Persons” as generally defined under Rule 902 of the 1933 Act. Potential investors who are non-U.S. Persons or potential investors who are U.S. Persons meeting the definition of accredited investor (who shall be deemed “Eligible Investors” only after the Company has taken reasonable steps to verify their accredited investor status in accordance with Rule 506(c) of Regulation D under the 1933 Act), and any other eligible investor are referred to herein as “Eligible Investors.”</p> <p>Each prospective investor is responsible for determining if an investment in the Company of the size contemplated is appropriate or suitable for that investor. The Company may also impose additional eligibility requirements upon prospective investors, or may decline to accept all or part of the subscription of any prospective investor in its sole discretion.</p>

**SUBSCRIPTION
PROCEDURE:**

Eligible prospective investors wishing to subscribe are invited to submit executed copies of the following documents contained in the applicable Company's Subscription Booklet, attached as **Exhibit B:**

- (i) Investor Questionnaire (**Tab 1**);
- (ii) Subscription Agreement (**Tab 2**); and
- (iii) Signature Page to the LLC Agreement (**Tab 3**).

Unless otherwise directed by the Manager, each eligible prospective investor wishing to subscribe should also send a check payable to the Investhome REIT, LLC for the total amount of its subscription in accordance with the instructions in the Subscription Booklet. U.S. Persons will complete the Subscription Booklet for Class A-1 Common Units, and non-U.S. Persons will complete the Subscription Booklet for Class A-2 Common Units.

CLOSING:

The Manager expects the Offering to continue until full subscription of the Offering or until 24 months after the Initial Closing (defined below), which may be extended by the Manager in its sole discretion (such period, the "**Offering Period**"). The initial closing of the Offering is expected to occur in or around July 2024 (the "**Initial Closing**"). The Company may, in the sole discretion of the Manager, hold additional closings during the Offering Period at such times as determined by the Manager in its sole discretion (each such Closing together with the Initial Closing, a "**Closing**"). The Manager currently expects to hold quarterly Closings during the Offering Period.

DIVIDENDS:

Dividends from the Company may be made at any time as determined by the Manager; *provided, however*, that the Company will generally seek to make such distributions as the Manager determines to be necessary for the Company's continued qualification as a REIT. In the event regular distributions are insufficient to meet the distribution requirements applicable to a REIT, the Company may take advantage of "spillover", "consent" or "deficiency" dividend procedures, which could result in the recognition of dividend income by Members without a corresponding distribution of cash. Each prospective investor should carefully review the section of this Memorandum entitled "Certain U.S. Federal Income Tax Considerations" for additional information.

Distributions from the Company will be made at any time and in such amounts as determined by the Manager. Any distributions payable to the holder of Class A Common Units (each a "**Class A Member**" and collectively, the "**Class A Members**") will be subordinated to the payment of preferred returns payable to holders of Preferred Units of the Company.

	<p>The Manager will be entitled to withhold from any distribution amounts necessary for payment of expenses and liabilities of the Company or its subsidiaries and any additional amount considered appropriate by the Manager to create cash reserves for future opportunities, taxes, debt service, insurance, repairs, replacements or renewals and/or other obligations, costs, expenses and liabilities, contingent or otherwise anticipated by the Manager or any other purpose as the Manager determines to be in the best interest of the Company. For additional information regarding distributions from the Company, see “Certain U.S. Federal Income Tax Considerations.”</p> <p>Notwithstanding the foregoing, prospective investors should be aware that all distributions by the Company are contingent on the Company’s receipt of cash from its underlying investments.</p>
<p>TAX STATUS:</p>	<p>The Company is a limited liability company that intends to elect to be taxed as a REIT for U.S. federal income tax purposes (a “REIT”). If the Company qualifies as a REIT, generally it will not be subject to U.S. federal income tax on taxable income that it distributes currently to its Members. REITs are subject to numerous organizational, operational, and diversity of ownership requirements. See “Certain U.S. Federal Income Tax Considerations” below for additional information.</p>
<p>TERM OF THE COMPANY:</p>	<p>The Manager expects the Company to continue in existence until all of its Investments have been sold and proceeds therefrom distributed to the Members; <i>provided, however</i>, that the Company may be dissolved or terminated at any time in accordance with the LLC Agreement. The Manager currently expects to dispose of substantially all its Investments within twenty (20) years after the date of the last Closing.</p>
<p>COMPENSATION OF MANAGER AND MANAGER AFFILIATES:</p>	<p>The Manager and other entities or individuals controlling, under the control of, or under common control with the Manager (each a “Manager Affiliate”) will be compensated for such services as described below:</p> <ul style="list-style-type: none"> • <i>Asset Management Fee.</i> The Company shall pay to the Manager an annual asset management fee (the “Management Fee”) equal to 1.0% annually (0.25% each quarter) of the aggregate value of the Company’s capital assets (without deduction for depreciation). Management Fee payments shall be due on the first day of each calendar quarter, in arrears, beginning on the first business day of the first calendar quarter commencing following the Initial Closing. The Manager may, in its sole discretion, waive all or a portion of the Management Fee or defer payment of the Management Fee for payment at a later date. • <i>Incentive Fee:</i> The Company shall pay to the Manager an

incentive fee (the “**Incentive Fee**”). The Incentive Fee components are designed so that the Manager does not receive an Incentive Fee until the Class A Members have first received dividends of at least 6% annually, and then those fees are payable so that the Manager receives 20% of the Company’s profits. The Incentive Fee is made up of two components – cash flow and sales proceeds.

- The cash flow component is 20% of the Company’s current cash received as interest or lease payments and other operating income net of current expenses (“**Cash Flow**”) for any calendar quarter that exceeds 1.5% (6% annualized) of the aggregate “**Contributed Capital**” of the Company. “Contributed Capital” means the amount of capital contributed to the Company for the purchase of Class A Common Units, less any amounts paid out for repurchases of Class A Common Units.
- The sales proceeds component is 20% of the Company’s realized profits annually generated by the refinancing, sale or other disposition of an Investment or any portion of any Investment (“**Sales Proceed Profits**”) above 6% of Contributed Capital, all computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid sales proceed incentive fees.
- Property-Level Asset Management Fees. The Manager expects the Company will engage a Manager Affiliate, Investhome Property Management, LLC, as the property manager for the Company’s Properties, where the property manager would receive a property management fee (“**Property Management Fees**”) in an amount equal to an annualized 1.5% of the Effective Gross Income (as defined below) from the Company’s Properties that will be paid monthly to the Manager for asset management services related to certain transactions. “**Effective Gross Income**” means a Property’s gross rental income plus other income less vacancy and credit costs for any applicable periods.
- Loan Servicing Fees. The Manager or Manager Affiliate may charge the Company fees for loan servicing services provided to the Company (e.g., monitoring loan payments collected and other services relating to the loans issued or owned by the Company) (each, a “**Loan Servicing Fee**”) which Loan Servicing Fee shall not exceed 0.5% of the value of the applicable Loan.

Additionally, the Manager or Manager Affiliate may receive compensation from the Company, any SPE or third-parties for

services provided to the Company and/or third parties related to the Properties, including, without limitation, the following:

- *Financing Coordination Fee and Credit Guarantee Fee.* The Manager or Manager Affiliate may receive fees for originating financing or loans on behalf of the Company (each, a “**Financing Coordination Fee**”) which Financing Coordination Fee shall not exceed 0.5% of the applicable financing amount.
- *Buyer’s Real Estate Brokerage Fee / Real Estate Due Diligence Fees.* The Company or a third-party may engage the Manager or a Manager Affiliate to provide real estate brokerage services for the Company with respect to the buying of any Property. In return for such services, the Company may pay the Manager or Manager Affiliate real estate brokerage fees of up to 2.5% of the contract sales price of the Property for the Company’s acquisition of the Property (“**Buyer Brokerage Fees**”).
- *Seller’s Real Estate Brokerage Fee / Real Estate Disposition Fees.* The Company or a third-party may engage the Manager or a Manager Affiliate to provide real estate brokerage services for the Company with respect to the selling of any Property. In return for such services, the Company may pay the Manager or Manager Affiliate real estate brokerage fees of up to 1.5% of the of the contract sales price of the Property (“**Seller Brokerage Fees**”).
- *Construction Management Fees.* The Company or a third-party developer may engage the Manager or a Manager Affiliate to provide property development and/or construction management services for any Property, and in return for such services, the Company may pay the Manager or Manager Affiliate a construction management fee of up to 5% of the construction and/or development costs incurred with respect to the Property (the “**Construction Management Fee**”).

ORGANIZATIONAL AND OPERATING EXPENSES:

Organizational Expenses. The Company will be responsible for, or will reimburse the Manager for, expenses related to the Offering and organization of the Company (“**Organizational Expenses**”). Organizational Expenses will include any and all expenses incurred in organizing the Company, conducting the Offering, and for expenses related thereto, including, without limitation, state registration fees, legal fees, consulting fees, accounting fees, printing fees, travel and related expenses, and any other fees and expenses incurred by the Company in offering Units. The reimbursement by the Company of Organizational Expenses may

be amortized over a period of up to 60 months, as determined by the Manager in its sole discretion.

Operating Expenses. The Company will be responsible for its ordinary operating expenses, including, without limitation, all expenses related to acquiring, maintaining, financing, managing, developing and disposing of Properties, research expenses, due diligence expenses incurred in evaluating potential properties (including, without limitation, travel and third-party service fees and broken-deal expenses), brokerage commissions, legal fees, accounting and auditing fees, custodial fees, insurance, software licenses, insurance, interest, taxes, real estate and loan brokerage commissions, property management fees, construction management fees, construction fees and expenses, service fees, guaranty fees, extraordinary expenses, and any and all other expenses deemed appropriate for the Company.

As discussed further under “*Compensation of the Manager and Manager Affiliates*” above, the Manager or Manager Affiliates may be engaged by the Company to provide development, brokerage, property management or other services to properties owned by the Company.

TAX CONSEQUENCES:

IT IS NOT POSSIBLE TO PROVIDE A DESCRIPTION OF ALL POTENTIAL TAX RISKS TO A PERSON CONSIDERING INVESTING IN THE UNITS. PROSPECTIVE INVESTORS SHOULD READ CAREFULLY THE SECTION “CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS” IN THIS PRIVATE PLACEMENT MEMORANDUM. PROSPECTIVE INVESTORS ARE ALSO ADVISED TO CONSULT THEIR OWN LEGAL COUNSEL AND TAX ADVISORS.

**ERISA
CONSIDERATIONS:**

Investment in the Company may be open to pension and other employee benefit plans subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**” and such plans, “**ERISA Plans**”) and individual retirement accounts (“**IRAs**”) subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the “**Code**”). The Manager will require any such ERISA Plan, IRA or other “benefit plan investor” (as hereinafter defined) to provide customary representations or assurances to determine compliance with ERISA or Section 4975 of the Code, or both. The Manager currently intends to use reasonable efforts so that the underlying assets of the Company will not be considered “plan assets.” The Manager does not intend to accept any capital contribution if after that capital contribution benefit plan investors would hold, in the aggregate, 25% or more of the Units. The Manager may take certain actions to maintain that ownership threshold. **Each benefit plan investor is urged to consult its own advisors as to the provisions of ERISA or the Code applicable to an investment in Company.**

LIMITATION ON TRANSFER AND WITHDRAWALS:

Each potential investor will be required to represent that he or she is acquiring the Units for investment and not with a view to distribution or resale, that such investor understands that the Units are not freely transferable and, in any event, that such investor must bear the economic risk of investment in the Units for an indefinite period of time because: (i) the Units have not been registered under the 1933 Act or applicable state securities laws; and (ii) the Units cannot be sold (a) without the Manager’s consent, which may be granted or withheld in the Manager’s sole discretion; and (b) unless they are subsequently registered or an exemption from such registration is available and such investor complies with the other applicable provisions of the LLC Agreement. In addition, except in connection with the Unit Repurchase Plan, prior to termination of the Company, Members will have no right to voluntarily withdraw from the Company or to demand repayment of their capital contributions. Even if securities law exemptions are available and a transfer would be permitted by the Manager under the LLC Agreement, no ready market now exists, nor can such a market be expected to exist, for the sale, transfer or other disposition of the Units. Therefore, it should be anticipated that a Member will be required to bear the economic risk of its investment for an indefinite period of time.

DISTRIBUTION REINVESTMENT PLAN:

The Company intends to adopt a distribution reinvestment plan (a “**Reinvestment Plan**”), pursuant to which a Member may have the distributions such Member receives from the Company reinvested in additional Class A Common Units. The purchase price per Class A Common Unit under the Reinvestment Plan will be equal to the most recent estimated per unit NAV for the Class A Common Units, less the aggregate distributions per Class A Common Unit of any net sale proceeds from the sale of one or more of the Company’s assets or other special distributions so designated by the Manager. Distributions on Class A Common Units subject to the Reinvestment Plan will be reinvested in additional Class A Common Units of the Company. If a Member participates in the Company’s distribution reinvestment plan, the Member will not receive the cash from the Member’s distributions, other than special distributions that are designated by the Manager. As a result, the Member may have a tax liability with respect to the Member’s share of the Company’s taxable income, but the Member will not receive cash distributions to pay such liability. Notwithstanding the foregoing, the Manager may, in its sole discretion and without any prior notice, reject any reinvestment by any Member for any or no reason and require the Member take distributions rather than reinvest such distributions in additional Class A Common Units.

UNIT REPURCHASE PLAN:

The Company intends to adopt a unit repurchase plan (the “**Unit Repurchase Plan**”) to enable a Member to sell the Member’s

Class A Common Units to the Company in limited circumstances at the end of a fiscal quarter by giving the Company at least 90 days advance written notice. The Unit Repurchase Plan permits a Member to sell their Class A Common Units back to the Company, subject to the significant conditions and limitations summarized below:

The Unit Repurchase Plan includes numerous restrictions that limit a Member's ability to sell the Member's Class A Common Units. Generally, a Member will be required to have held the applicable Class A Common Units for at least three years to participate in the Unit Repurchase Plan without a discount upon repurchase.

Subject to funds being available, the Company will further limit the number of Class A Common Units redeemed pursuant to the Unit Repurchase Plan as follows: (1) the Company will not redeem in excess of 10% of the weighted average number of Class A Common Units outstanding during the prior calendar year (or 2.50% per quarter, with excess capacity carried over to later quarters in the calendar year); (2) the Company may restrict redemption if the Manager believes such redemptions would disqualify the Company from being a REIT; and (3) funding for the repurchase of units will be limited to the net proceeds the Company receives from the sale of Units under the Reinvestment Plan and any available sales proceeds from the disposition of an Investment to the extent not otherwise required to be distributed to Members under the REIT requirements.

Any of the foregoing limits might prevent the Company from accommodating all repurchase requests made in any fiscal quarter or in any 12-month period, in which case the Company will facilitate repurchases on a pro rata basis, *provided*, that the Manager may, in its sole discretion, determine to give priority to the repurchase of deceased unitholders' Class A Common Units and/or then to requests for full repurchase of accounts with a balance of 500 Class A Common Units or less. In addition, if, as a result of a request for repurchase, a Member will own Class A Common Units having a value of less than \$1,000 (based on the Company's most-recent per Unit NAV), the Company reserves the right to repurchase all of the Class A Common Units owned by such Member.

Following any such repurchase period, if a Member would like to resubmit the unsatisfied portion of the prior repurchase request for repurchase, the Member must submit a new request for repurchase of such Class A Common Units at least 90 days prior to the last day of the new quarter. Unfulfilled requests for

	<p>repurchase will not be carried over automatically to subsequent repurchase periods.</p> <p>The per unit repurchase price will be equal to 100% of the most recent per Class A Common Unit NAV; <i>provided, however</i>, that (i) if a repurchase is completed within one year of a Member obtaining the applicable Class A Common Units, the repurchase price will equal 70% of the most recent per Class A Common Unit NAV; (ii) if a repurchase is completed after one year but before two years of the Member obtaining the applicable Class A Common Units, the repurchase price will equal 80% of the most recent per Class A Common Unit NAV; and (iii) if a repurchase is completed after two years but before three years of the Member obtaining the applicable Class A Common Units, the repurchase price will equal 90% of the most recent per Class A Common Unit NAV. If a repurchase is completed after three years of the Member obtaining the applicable Class A Common Units, the repurchase price will equal the most recent per Class A Common Unit NAV.</p> <p>The Manager may suspend or terminate the Unit Repurchase Plan at any time upon 30 days' notice to the Members holding Class A Common Units.</p>
<p>COMPULSORY REDEMPTION:</p>	<p>The Manager may, in its sole discretion and without prior notice, cause the Company to redeem all or any portion of any Members' Units for any reason or no reason, including without limitation, to keep the Company from violating any REIT requirement or applicable securities or ERISA laws or regulations.</p>
<p>RISK FACTORS:</p>	<p>As with any investment, an investment in the Company is subject to risk, and an investor may lose money. These risks include, without limitation, risks related to unspecified investments; risks associated with speculative investments generally; risks related to determining net asset value; risks associated with investing in real estate; risks of competition from other buyers in the same market; risks related to developing property; risks of leasing property; risks associated with the non-transferability and lack of liquidity in an investment in the Company; and tax risks. This Summary only describes some of the risks of investing in the Company. Please carefully read the section below entitled "Risk Factors" for a discussion of certain significant risks to be considered in evaluating an investment in the Company.</p>
<p>DETERMINATION OF NET ASSET VALUE:</p>	<p>At the end of each fiscal quarter (or as soon as commercially reasonable thereafter), the Manager or its affiliates will calculate the Company's current NAV per Unit. The NAV per Unit calculation will reflect the total value of the Company's assets minus the total value of the Company's liabilities, divided by the</p>

number of Units outstanding as of the determination date. The Company's Properties are expected to constitute a significant component of the Company's total assets. The Manager will determine estimated values of each of the Company's Investments, including the Properties, including related liabilities, based upon, among other things, acquisition cost of the Investment, development expenditures, performance, outstanding principal balance, market default rates, discount rates, loss severity rates, and, if the Manager deems it necessary, individual appraisal reports of the underlying Investments provided periodically by third-parties.

The Manager's processes for determining the valuation method of Properties will generally be as follows: (i) until the later of: (a) the first anniversary of a Property's acquisition or (b) the completion of the development of a Property, the Property will be valued at cost plus capital expenditures into the Property, and (ii) after such time, the Property will be valued by the Company using an independent, third-party appraisal of the Property from time-to-time; *provided*, that the Manager may also, in its sole discretion, consider additional market factors in determining the valuation of any Property. The Manager expects that the Company will obtain appraisals of the Company's developed Properties on an annual basis, provided the Manager may determine to obtain an appraisal on a more or less frequent basis.

The Manager will generally value Loans at par value, adjusted from time to time, by such factors as the Manager deems relevant in its sole discretion, including, without limitation, changes in interest rates, payment performance, outstanding principal balance, market default rates, discount rates, and borrower creditworthiness. The Manager may also, in its sole discretion, from time to time engage a third-party appraiser to value the Loans.

Any third-party engaged by the Manager will not be responsible for, or prepare, the Company's quarterly NAV per Unit. The Manager, however, may, in its sole discretion, hire a third-party to calculate, or assist with calculating, the per Unit NAV calculation.

CONFLICTS OF INTEREST:

The Company's LLC Agreement permits the Manager and its principals to make investments for their own accounts, including investments competitive with those of the Company, without having or incurring any obligation to disclose or to offer any interest in such activities to the Company or any Member. Furthermore, the Manager is not required to devote full time to the business of the Company, but rather only such time as is necessary to manage the assets of the Company and carry out and conduct the business of the Company.

The Manager and Manager Affiliates and their principals are engaged in various aspects of the real estate investment,

development and management business, including without limitation, the acquisition, development, transfer and sale of interests in real estate for their own account and for the account of others. Some of these investments may be competitive with the Investments of the Company. The Manager and Manager Affiliates and their principals reserve the right to continue investing in properties and other investments with the same investment objective as that of the Company.

As described below, the Manager will cause itself or one or more Manager Affiliates to be engaged for various services with respect to the Company or the Investments. For more information regarding these services and the fees that will be paid to the Manager or Manager Affiliates, please see “Conflicts of Interest – Compensation to Managers and Manager Affiliates.”

The Manager has not developed, and does not expect to develop, any formal process for resolving conflicts of interest. While the foregoing conflicts could materially and adversely affect the Members, the Manager, in its sole judgment and discretion, will attempt to mitigate such potential adversity by the exercise of business judgment in an attempt to fulfill its duties and obligations, including submitting certain transactions to the Advisory Board for approval. There can be no assurance that such an attempt will prevent adverse consequences resulting from the conflicts of interest.

Generally, see “Conflicts of Interest” for a further discussion of certain conflicts of interest that may exist or arise with respect to the Company.

REPORTS:

The Manager intends to provide periodic written reports to the Members regarding the Company and its performance and will provide audited financial statements to Members annually.

INDEMNIFICATION:

The Company will indemnify and hold harmless the Manager, its affiliates, and their respective officers, managers, employees, directors, agents, stockholders, members, and partners and any other person who serves at the request of the Manager on behalf of the Company as an officer, manager, director, partner, member, advisor, employee or agent of any of such entities, including, without limitation, a member of the Advisory Board (each such person, an “**Indemnitee**”), from and against any and all losses, claims, damages, expenses, and liabilities, and actions in respect thereof, joint or several, to which an Indemnitee may be subject by reason such Indemnitee’s activities on behalf of the Company or in furtherance of the interest of the Company or otherwise arising out of or in connection with the Company, the Properties, or any other investments of the Company (collectively, “**Losses**”), and will reimburse each such Indemnitee for any legal or other

	<p>expenses reasonably incurred by such Indemnitee in connection with investigating, defending or preparing to defend any such Losses; <i>provided, however</i>, that the Company will not be liable in any such case to the extent that, in the final judgment of a court of competent jurisdiction, such Losses are found to have arisen from an Indemnitee’s own fraud, willful misconduct, gross negligence, bad faith, or intentional and material breach of the LLC Agreement. Expenses incurred in defending a civil or criminal action, suit or proceeding, if requested by an Indemnitee, will be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by such Indemnitee to repay such amount plus reasonable interest in the event that, in the final judgment of a court of competent jurisdiction, such Indemnitee is found to have committed fraud, willful misconduct, gross negligence, bad faith, or an intentional and material breach of the LLC Agreement, and such Losses have resulted therefrom. For clarity, the Company will have no obligation to indemnify any Indemnitee for: (i) economic losses incurred by such Indemnitee as a result of such Indemnitee’s investment in the Company or in a Property; or (ii) expenses of the Company that an Indemnitee has agreed to bear.</p>
SIDE LETTERS:	<p>The LLC Agreement authorizes the Company and the Manager to enter into side letters with any Members (each, a “Side Letter”) interpreting or altering the terms of the LLC Agreement as to such Member.</p>
AUDITOR:	<p>The Company expects to engage a third-party public accounting firm as the Company’s auditor and have audited financial statements of the Company prepared.</p>
LEGAL COUNSEL:	<p>The Manager’s and the Company’s legal counsel is Kilpatrick Townsend & Stockton LLP (“Kilpatrick”), The Grace Building #21, W. R. Grace Building, 1114 6th Ave, New York, NY 10036. In the event of a conflict between the Manager, on the one hand, and the Company on the other, Kilpatrick will represent the Manager. Kilpatrick does not represent the Members, and no counsel has been retained to act on behalf of the Members.</p>
SELLING COMPENSATION:	<p>Subject to applicable law, the Manager may pay compensation to parties who introduce Members to the Company pursuant to a written agreement with the Company. Such compensation may be paid by the Company as the Manager deems appropriate.</p>

BUSINESS OBJECTIVE AND STRATEGY

The business objective of Investhome REIT, LLC (the “**Company**”) is to seek current income (e.g., through rents or other income) and capital appreciation for its Members. As with any investment program, there are no assurances, either express or implied, by the Manager or its affiliates that such objectives will be achieved and investment results may vary substantially over time and from period to period.

The Company’s principal investment strategy is to seek to invest in and manage a diversified portfolio of multi-unit residential and mixed-use real estate properties by acquiring, developing, leasing, managing, holding for appreciation and ultimately disposing of such properties (each, a “**Property**” and, collectively, the “**Properties**”). Further, the Company may make loans to Properties or developers of Properties in connection with the development of a Property, which loans the Manager expects will be secured by the Property (each, a “**Loan**” and, collectively, the “**Loans**”).

The Company may also invest in other qualified REIT investments, including, without limitation, joint real estate investments, if deemed appropriate by the Manager (collectively, the “**Other Opportunities**” and together with the Properties and the Loans, the “**Investments**”). Generally, see “Certain U.S. Federal Income Tax Considerations – Requirements for Qualification as a REIT” for more information.

The Manager anticipates that the Investments will consist of properties located in the United States (“**U.S.**”). Initially, the Company expects to focus primarily on properties in or around the Washington, DC metropolitan area (the “**Target Area**”), *provided*, that the Company may invest in Investments outside of Target Area at any time, including properties in other metropolitan areas in the U.S.

The Company will seek to target a capitalization rate (*i.e.*, cap rate) of approximately 7%. The Manager anticipates the Company’s strategy will include a range of acquisition scenarios, including acquiring Properties that are ready-to-rent or already rented, Properties in need of remodeling, and ground-up development opportunities. The Manager believes that ready-to-rent Properties present the opportunity for immediate income streams and reduced renovation costs, while already rented Properties offer stabilized cash flow with potential for value appreciation. Further, the Manager believes that Properties in need of renovation and/or remodeling present opportunities for value enhancement and increased rental income, while ground-up development projects offer long-term growth potential and customization opportunities. The typical holding period of each Property is expected to range between 3 to 6 years.

The Company expects to make investments in Properties through special purpose entities (“**SPEs**”), however, the Company may at times make direct investments in Properties.

Overview

In implementing the Company’s business, the Manager will seek to implement one or more of the following prongs:

- Identifying and acquiring multi-unit residential and mixed-use properties across different acquisition scenarios, including ready-to-rent, already rented, properties in need of remodeling, and ground-up development opportunities.
- Identifying and acquiring properties that may be available to government affordable housing programs, such as the Section 8 Housing Program (also called the Housing Choice Voucher Program) under the Housing Act of 1937.

- Achieving a target cap rate of around 7% through strategic property selection, financial analysis, and value enhancement strategies.
- Implementing efficient property management practices to maximize rental income, minimize vacancies, and enhance asset performance across all acquisition scenarios.
- Leveraging technology, data analytics, and market insights to streamline acquisition processes, optimize decision-making, and identify value-add opportunities.
- Fostering strategic partnerships with real estate professionals, contractors, architects, and local stakeholders to facilitate seamless execution and maximize returns.

Market Analysis

While the Company expects to focus primarily on properties in or around the Washington, DC metropolitan area, the Company may invest in Investments outside of the Target Area at any time, including properties in other metropolitan areas in the United States.

The Manager believes that the greater Washington, DC real estate market offers diverse opportunities across different acquisition scenarios, reflecting varying levels of risk and potential returns. The Manager believes that Washington, DC presents an attractive investment environment due to several factors, including, among others, the following observations in the market:

- High Rental Demand:
 - *Consistent Tenant Base:* The Manager believes that the presence of government employees, students, and professionals ensures a steady demand for rental properties, leading to low vacancy rates.
 - *Competitive Rental Rates:* The high demand observed above generally allows landlords to charge relatively premium rents, especially in desirable neighborhoods.
- Appreciation Potential:
 - *Historical Growth:* Property values in DC have shown consistent appreciation over the years. From 2010 to 2024, the average rent increased from \$1,425 to \$2,400, demonstrating strong rental growth.³
 - *Market Stability:* The Manager believes that economic stability provided by the federal government and a diverse job market contributes to the long-term appreciation of real estate values.
- Rental Yields:
 - *Strong ROI:* With average rents for one-bedroom apartments around \$2,310 and two-bedroom apartments around \$3,049, the Manager believes that rental yields can be attractive, particularly in high-demand neighborhoods.
 - *High Yield Areas:* Neighborhoods with strong growth rates, such as Foggy Bottom and Dupont Circle, offer high rental yields due to their desirability and premium rental rates.
- Market Trends:
 - *Urban Development:* Ongoing urban development and infrastructure improvements in DC contribute to property value appreciation and increased rental demand.

³ See, e.g., [Average Rent in Washington, DC and Rent Price Trends \(zumper.com\)](#); [Rental Market Trends & Average Rent in Washington, DC | Rent.](#)

- *Cultural and Educational Hub*: The presence of universities, cultural institutions, and historical landmarks attracts a diverse tenant base, supporting rental market growth.

Property Selection Criteria:

In evaluating and considering potential Properties for investment by the Company, the Manager will consider, among other factors, one or more of the following criteria:

- *Acquisition Scenarios* – Evaluating properties across different acquisition scenarios, including ready-to-rent, already rented, properties in need of remodeling, and ground-up development opportunities.
- *Location*: Prioritizing potential properties in what the Manager believes are “prime” locations with strong rental demand, access to amenities, transportation, and employment centers.
- *Financial Performance*: Assessing properties based on their current and projected cash flow, potential for value appreciation, and alignment with the target cap rate of around 7%.⁴
- *Physical Condition*: Evaluating the physical condition of properties to determine anticipated renovation costs, potential repairs, and the scope of value enhancement.
- *Regulatory Considerations*: Evaluating compliance with zoning regulations, building codes, and permitting requirements for each acquisition scenario.

Financial Analysis:

In connection with implementing the Company’s business program, the Manager expects to conduct comprehensive financial analysis to evaluate the viability and profitability of each acquisition scenario where the Manager may, among other items, consider one or more of the following:

- *Cap Rate*: Seek a target cap rate of around 7% in order for the Company to achieve competitive returns relative to market risks across all acquisition scenarios.
- *Cash Flow*: Assess the property’s anticipated net operating income (NOI) to determine its ability to generate positive cash flow after accounting for operating expenses, debt service, and reserves.
- *Return on Investment (ROI)*: Calculate the expected ROI for each acquisition scenario based on projected rental income, renovation costs, appreciation potential, and exit strategies.
- *Financing Options*: Explore financing options tailored to each acquisition scenario, including traditional mortgages, renovation loans, construction financing, and private equity partnerships.

Risk Management:

⁴ Target returns are derived from analysis based on both quantitative and qualitative factors, including market experience and historical and expected averages related to the risk/return profile and criteria for investments of the Company. Targets are objectives and should not be construed as providing any assurance as to the results that may be achieved by the Company in the future.

In connection with implementing the Company's business program, the Manager expects to attempt to mitigate risks associated with each acquisition scenario through proactive risk management strategies, which may include one or more of the following:

- *Due Diligence*: Conducting due diligence for each Property in order to attempt to identify potential risks, liabilities, and opportunities for value enhancement.
- *Contingency Planning*: Seeking to develop contingency plans to address unforeseen challenges, such as construction delays, regulatory hurdles, or changes in market conditions.
- *Insurance Coverage*: Seeking to maintain adequate and customary insurance coverage for each acquisition scenario, including property insurance, liability insurance, and construction insurance, to mitigate potential losses and liabilities.
- *Market Monitoring*: Seeking to stay informed about market trends, economic indicators, and regulatory changes to anticipate potential risks and opportunities across all acquisition scenarios.

Implementation Plan:

In implementing the Company's business, the Manager will seek to design and implement the following items:

- *Acquisition Pipeline*: Build a robust pipeline of potential acquisition opportunities across different scenarios through market research, networking, and strategic partnerships.
- *Due Diligence Process*: Establish a systematic due diligence process tailored to each acquisition scenario, incorporating financial analysis, physical inspections, legal reviews, and regulatory compliance checks.
- *Financing Strategy*: Develop a financing strategy tailored to each acquisition scenario, leveraging a mix of debt and equity to optimize leverage, minimize costs, and enhance returns.
- *Renovation and Development*: Execute renovation and development projects efficiently and cost-effectively, leveraging skilled contractors, architects, and project managers to maximize value creation and minimize construction risks.
- *Property Management*: Implement proactive property management practices to optimize rental income, minimize vacancies, and enhance asset performance across all acquisition scenarios.
- *Performance Monitoring*: Continuously monitor the performance of acquired properties across all acquisition scenarios, track key performance indicators, and adjust strategies as needed to optimize returns and mitigate risks.

Financing

The Company will seek to employ non-recourse debt, when possible, for Investments that are leveraged. Nevertheless, in certain instances, the Manager may determine to obtain recourse debt. In such cases, the Company or its subsidiaries (as applicable) will pay compensation to the Manager, Manager Affiliates (as

defined below), or third parties (including, without limitation, Members) who guarantee debt incurred by the Company or its subsidiaries. The amount of leverage used by the Company will vary, depending on the nature of the particular investment; provided, however, the Manager currently expects to limit the debt across all Properties to no more than 70% loan-to-value. In each case, the Manager will look to employ the amount of leverage that the Manager believes will maximize returns to the Company, while minimizing costs and risks.

Current Contemplated Investments.

Warehoused Property

It is currently anticipated that on or around the Initial Closing (as defined below), the Company will make a secured development Loan (the “**Warehoused Property Development Loan**”) to Investhome to support the development of the multifamily complex on a property located in Washington, DC, that are currently owned by Investhome (the “**Warehoused Property**”). Investhome currently expects to use the proceeds of the Warehoused Property Development Loan to develop multifamily complex.

The Manager currently anticipates that, following the development of the Warehoused Property, the Company will acquire the Warehoused Property from Investhome and satisfy the Warehoused Property Development Loan. However, there is no guarantee that the Manager will ultimately cause the Company to acquire the Warehoused Property, and the Company is not limited to investing in the Warehoused Property.

Additional information regarding the Warehoused Property and the expected terms of the development loan to be made by the Company are provided on Schedule 1 (the “**Warehoused Property Information**”).

COMPANY MANAGEMENT AND ADVISORY BOARD

Company Management

The Manager is Investhome Capital Management, LLC, a Virginia limited liability company and a wholly-owned subsidiary of Investhome Inc. (“**Investhome**”), a Virginia corporation. The Manager was formed on May 21, 2024. The Manager’s principals are Doga Dogan and Emin Berk Sever. The Manager serves as the manager of the Company pursuant to the LLC Agreement.

Investhome

Investhome was founded by Doga Dogan and Emin Berk Sever as a real estate development company focused on the Washington D.C. metropolitan area. Investhome constructs new residential projects for real estate investors. Investhome offers zero-unit housing projects, providing high rental yields in dollars and consistent value appreciation, particularly in the heart of Washington D.C. Established in 2017 by Emin Berk Sever and Doga Dogan, Investhome aims to share its extensive expertise in the American construction sector with international investors. Investhome manages various aspects of multi-family real estate ownership, including managing insurance, mortgages, leasing, maintenance, various post-sale processes, and tenant relations.

Biographical information for the principal management personnel of the Manager is set forth below.

Doga Dogan, Principal

Mr. Dogan is a Co-Founder and CFO of Investhome, where he works to manage financial and business operations of the company. In addition to co-founding Investhome in 2017, Mr. Doğan is the President/Owner of Design By Co., plumbing contract company that works on new construction in multifamily commercial projects since 2009. While running Design By Co., he has been heavily involved in multifamily developments, overseeing projects that span various aspects of residential construction. Previously, Mr. Doğan has also worked as a Project Manager at government infrastructure projects for Tessa Structures LLC from 2004-2009.

Mr. Dogan has held his Washington DC Real Estate License since 2011 and his Class A General Contractor license since 2007. He has a MS in Computer Science from Southeastern University in Washington, DC and his BS in Astronautical Engineering from Istanbul Technical University in Istanbul, Turkey.

Emin Berk Server, Principal

Emin Berk Sever is a Co-Founder of Investhome, where he serves as its Chief Executive Officer.

Mr. Sever founded the Design By Advertising agency in 2000 where he first began to specialize as an agent in the construction and hotel management areas. He took his first step into the construction industry in America in 2003 and the foundations of his future experiences were laid here. After founding Design By Organization agency in 2005, he was invited to Azerbaijan in 2008 when he became known for his sales and marketing expertise in the construction industry. Following this invitation, he made further progress in the construction industry and sold a total of 3,700 houses in America and Azerbaijan. Thus, he brought his expertise in sales and marketing to the global market.

In 2011, Mr. Sever added project development to his expertise in sales and marketing and managed the business and architectural development of a 6,000-housing project in Moscow. Following this success, he developed a project of 11,000 houses in Nigeria in 2013. In 2014, he took on the construction as well as sales and marketing of the Entepe Residence project and added Turkey to his experiences. While growing his success in the global arena, he continued to produce projects by maintaining his connections in America.

He continued to further expand his experience in the field of construction by establishing Investhome in 2017. He started to build multifamily projects in Washington DC, the Capitol of America, and started offering his new projects to investors. With years of global experience, he continues to achieve brand new successes in the real estate sector.

Advisory Board

The Manager will establish an advisory board (the “**Advisory Board**”) to review and approve certain the Company activities, including any transaction by the Company with the Manager or a Manager Affiliate (as defined below) that is not otherwise described herein.

Further, the Manager, in its sole judgment and discretion, may submit other investments, transactions or activities of the Company for approval by the Advisory Board, on behalf of the Members. These may include approval for transactions, investments, or actions that the Manager determines, in its sole judgment and discretion, involve a conflict of interest or otherwise should be approved by the Advisory Board. The Advisory Board’s role is limited to the approval of the matters identified above and the Advisory Board shall not otherwise participate in the day-to-day management of the Company. Any approval by at least a majority of members on the Advisory Board shall be deemed an approval by the Members.

DETERMINATION OF NET ASSET VALUE

At the end of each fiscal quarter (or as soon as commercially reasonable thereafter), the Manager or its affiliates will calculate the Company's current net asset value ("NAV") per Unit. The NAV per Unit calculation will reflect the total value of the Company's assets minus the total value of the Company's liabilities, divided by the number of Units outstanding as of the determination date. The Company's Properties are expected to constitute a significant component of the Company's total assets. The Manager will determine estimated values of each of the Company's Investments, including the Properties, including related liabilities, based upon, among other things, acquisition cost of the Investment, development expenditures, performance, outstanding principal balance, market default rates, discount rates, loss severity rates, and, if the Manager deems it necessary, individual appraisal reports of the underlying Investments provided periodically by third-parties.

The Manager's processes for determining the valuation method of Properties will generally be as follows: (i) until the later of: (a) the first anniversary of a Property's acquisition or (b) the completion of the development of a Property, the Property will be valued at cost plus capital expenditures into the Property, and (ii) after such time, the Property will be valued by the Company obtaining an independent, third-party appraisal of the Property from time-to-time; *provided*, that the Manager may also, in its sole discretion, consider additional market factors in determining the valuation of any Property. The Manager expects that the Company will obtain appraisals of the Company's developed Properties on an annual basis, provided the Manager may determine to obtain an appraisal on a more or less frequent basis.

The Manager will generally value Loans at par value, as adjusted from time to time, by such factors the Manager deems relevant in its sole discretion, including, without limitation, changes in interest rates, payment performance, outstanding principal balance, market default rates, discount rates, and borrower creditworthiness. The Manager may also, in its sole discretion, from time to time engage a third-party appraiser to value Loans.

Any third-party engaged by the Manager will not be responsible for, or prepare, the Company's quarterly NAV per Unit. The Manager, however, may, in its sole discretion, hire a third-party to calculate, or assist with calculating, the per Unit NAV calculation.

As with any methodology used to estimate value, the methodology that will be employed by the Manager is based upon a number of estimates and assumptions about future events that may not be accurate or complete. Further, different parties using different assumptions and estimates could derive a different NAV per Unit, which could be significantly different from the Manager's calculated NAV per Unit. The Company's NAV will fluctuate over time and does not represent: (i) the amount per Unit a Member would obtain if the Member tried to sell the Member's Units or (iii) the amount per Unit Members would receive if the Company liquidated its assets and distributed the proceeds after paying all the Company's expenses and liabilities.

In addition, for any given quarter, the Company's calculated NAV per Unit may not fully reflect certain material events, to the extent that the financial impact of such events on the Company's portfolio is not immediately quantifiable. While this Offering is ongoing, if the Manager reasonably believes that such a material event has occurred, the Manager will calculate and disclose the updated NAV per Unit and the reason for the change in an Offering circular supplement as promptly as reasonably practicable.

The actual number of Units to be received by an investor will equal to: (i) the amount of the investor's subscription that is accepted and received by the Company; divided by (ii) the Unit Offering Price.

RISK FACTORS

Real Estate investments are inherently risky. An investment in the Company is speculative and involves a high degree of risk and should be undertaken only by investors with financial resources sufficient to enable them to assume such risk and to retain an illiquid investment for an indefinite period. A prospective investor should consider, among other factors, the risks described below before making a decision to purchase Units.

Risks Relating to the Form and Internal Operation of the Company

General. All investments involve a risk of financial loss. No assurance can be given that the Company will be successful or profitable, and an investor may lose money up to the amount of the investor's entire investment in the Company.

No Operating History for the Company. The Company has been in existence only since May 30, 2024 and has no operating history. There is no assurance the Company will be successful in implementing its operating policies and strategies.

Management of the Company. The Members will have no control over the management of the business activities or affairs of the Company. All decisions regarding management of the Company's affairs, including acquisition and disposition, the terms of any current and future loans and the management of the Investments, will be made exclusively by the Manager and its affiliates, and not by any of the Members. Consequently, a prospective investor should not become a Member unless it is willing to entrust management of the Company to the Manager. The successful operation of the Company depends on the Manager's performance. The Manager must successfully: (i) identify, purchase and manage suitable investments; (ii) respond to changes in the markets in which the Company operates; (iii) coordinate the capital improvement of Properties, if any; (iv) manage operating expenses; and (v) make strategic decisions regarding disposition of Investments. The Company makes no representation or warranty as to the future skills of the Manager in successfully performing such tasks. The Manager may be removed as the manager of the Company only under certain limited circumstances set forth in the LLC Agreement, which means that it will be extremely difficult for the Members to remove the Manager.

Operating History of the Manager. While the principals of the Manager have experience with real estate in the past, the Manager and the Company are newly formed and do not have prior operating history. Further, the Manager and the principals of the Manager do not have prior experience operating a business like the Company's or operating a REIT, and the requirements applicable to REITS under the Code are complex. Further, past performance of certain principals of the Manager is not necessarily indicative of future results or potential results for the Company. For more information regarding the experience of the Manager, see "Company Management." There can be no assurances that the Manager will manage the Company successfully.

Ability of Manager to Select Properties. The Manager has broad discretion in selecting Investments for the Company, and Members will not be able to evaluate all such Investments before investing in the Company. Because not all Investments will not be identified to the Members prior to investment in the Company, the Members must rely on the judgment and ability of the Manager with respect to the investment of the Company's capital. Subject to any limitations described above, the Company may

invest the net proceeds of the Offering in any real estate investment that the Manager deems suitable for the Company. While certain limited information has been provided regarding the Warehoused Property, the Company is not restricted from acquiring other investments, and there can be no guarantee that the Company will ultimately invest in the Warehoused Property. Except to the extent that information is available regarding the Warehoused Property, Members will not have an opportunity to evaluate for themselves the relevant economic, financial, and other information regarding the Investments the Manager may select for the Company to invest.

Unspecified Investments. While certain limited information has been provided regarding the possible investment involving the Warehoused Property and other anticipated types and locations of possible real estate investments to be made by the Company, as of the date of this Memorandum no investments have been made by the Company. No information as to specific investments other than the Warehoused Property are expected to be made available to investors or prospective investors until after the Initial Closing. Therefore, investors and potential investors will not be able to evaluate the merits of possible investments in which the Company invests (other than the potential investment in the Warehoused Property) nor will they have a right to return of their investment if they do not like an investment in which the Company invests. There can be no assurance that the Company will find suitable investments in which to invest or that the objectives of the Company will be achieved.

Speculative Investment. The Company's business objectives are highly speculative, and there is no assurance the Company will satisfy those objectives. No assurance can be given that the Company will realize its investment objective. No assurance can be given that the Members will realize a substantial return (if any) on their investment or that they will not lose their entire investment in the Company. For this reason, each prospective investor should carefully read this Memorandum and all Exhibits to this Memorandum. All prospective investors should consult with their attorney and/or business advisor prior to making an investment.

Failure to Identify Investments. The success of the Company and its ability to generate sufficient revenue to make distributions will depend, in part, on the ability of the Company to acquire attractive properties on favorable terms. There can be no assurance that the Manager will be able to identify or negotiate acceptable terms for the acquisition of the Investments or that the Company will be able to acquire the Investments. The Company can make no assurances that acquisitions made using the net proceeds of this Offering will produce a return on investment. Any significant delay in investing the net proceeds of this Offering would have a material adverse effect on the Company's ability to generate cash flow and make distributions to the Members.

Minimum Offering. There can be no assurance that the Company will raise any minimum amount of capital. The failure of the Company to raise the expected capital will likely cause the Company to have a small number of Investments, whereby one Investment could have a significant impact on the performance of the Company's entire portfolio of Investments.

Concentration. The Company may, for any portion of the Company's life, participate in only a limited number of Investments. As a result, the Company's investment portfolio may, at any time, be highly concentrated, and the performance of a single Investment is likely to substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Company may be required to invest in fewer Investments and thus be less diversified. A downturn of the economy or the poor performance of any one Investment could impact the aggregate returns delivered to Members.

No Guaranteed Cash Distributions. There can be no assurance that cash distributions will, in fact, be made or, if made, that distributions will be made when anticipated. In addition, while the Manager intends to distribute sufficient cash from activities of the Company to enable the Company to continue its qualification as a REIT, there can be no assurance that the Manager will be able to do so.

Failure to Meet Financial Projections. The Manager may prepare certain financial projections using estimates of revenues and expenses, and other factors considered reasonable by the Manager, based on the experience of the Manager and may make them available to potential investors. The Company and the Manager will have little or no control over whether many of the estimates or assumptions prove to be accurate. Accordingly, such financial projections are subject to variations that may be material and are only an informed estimate based upon currently available information about the factors considered. No assurance can be given that the projected financial results can be achieved, or that the Company will be profitable.

Determination of Net Asset Value. As described above, the NAV of the Company at any given time is determined by the Manager, taking into account several inputs deemed reasonable by the Manager, including estimates and assumptions. The Manager is not required to obtain appraisals to determine the NAV of the Company. However, if the Manager decides to obtain appraisals, the Manager will obtain appraisals performed by non-affiliated third parties. Appraisals are only an estimate and are based upon numerous assumptions. Accordingly, the Manager cannot and does not make any representation as to the accuracy of any appraisals obtained for the Investments. Further, the Manager makes no representation or warranty as to the accuracy of the Company's NAV or any Investment's value at any given point. There can be no guarantee that the NAV, at any given time, represents the intrinsic or market value of all of the Company's assets and the actual value of an Investment may differ substantially from the appraised value of such Property. As a result, additional Units may be offered and sold and Units may be redeemed at valuations materially more or less than the Company's valuation would be if Company was liquidated and its investments were sold.

Conflicts of Interest. The Company will be subject to various conflicts of interest arising out of its relationship with the Manager, Investhome and Manager Affiliates. Because the Company was organized by the Manager (and Investhome) and will be operated by the Manager (which is controlled by Investhome), these conflicts will not be resolved through arm's length negotiations between disinterested parties, but through the exercise of the Manager's judgment consistent with its responsibilities to the Company. Likewise, the fees to be paid to the Manager and Manager Affiliates (including, without limitation, the Property Manager), and the terms regarding the payment by the Company for all costs and expenses associated with the Company, have not been and will not be the subject of arm's length negotiations. If the Manager or Manager Affiliates make loans to the Company or the Company purchases assets from the Manager or Manager Affiliates (including, without limitation, any purchase of the Warehoused Property from Investhome and its affiliates), the terms of such loans and the consideration paid by the Company for such assets may exceed their fair market value. The Manager and Manager Affiliates are and will be engaged in various aspects of the real estate investment, development and management business for the Company and other persons or entities. Each of the foregoing represents conflicts of interest for the Manager and subjects the Company to the risk that the Manager will not, or will not be able to, navigate such conflicts of interest without any disadvantages or adverse effects to the Company. For further information with respect to conflicts of interest of which prospective investors should be aware in making a decision to participate in the Offering, see "Conflicts of Interest." Because of the foregoing conflicts of interest for the Manager, potential investors should carefully consider any decision to participate in the Offering.

Further, to the extent the Manager presents a conflict of interest to the Advisory Board for resolution, the Advisory Board will be empowered to make certain decisions on behalf of the Members. Therefore, when making a decision to invest in the Company, prospective investors should be aware of the fact that the Advisory Board will be empowered to make decisions on behalf of the Members.

Diverse Investment Group. The Members may include taxable and tax-exempt entities and may include persons or entities organized in various jurisdictions, including non-U.S. investors. As a result,

conflicts of interest may arise in connection with decisions made by the Manager that may be more beneficial for one type of investor than for another. In selecting investments, the Manager considers the investment objectives of the Company as a whole, not each investor individually.

Current Market Conditions. Certain market events can increase volatility and exacerbate market risk, such as changes in governments' economic policies, political turmoil, environmental events, wars, and epidemics, pandemics or other public health issues. Such events may result in closing borders, quarantines, cancellations, and disruptions to supply chains and other business and customer activity, changes in demand for goods and services, as well as general concern and uncertainty, thus causing significant disruptions to (and volatility in) global and domestic business activity and financial markets, the broad effects of which are currently difficult to assess. For example, the outbreak and prolonged effects of COVID-19, the invasion of Ukraine and conflict between Hamas and Israel have resulted in disruptions and volatility in business activities and financial markets. Any such change can have a profound negative impact on market and business conditions (including market and business conditions that may affect the Company) and may result in a period of prolonged economic downturn. No assurance can be made regarding the ultimate financial impact that any such events will have on the Company; *however*, any negative economic impact resulting from such events could adversely affect the performance of the Company in the future. The Manager cannot reasonably estimate the ultimate impact such events may have on the Company's business, revenues, results of operations, cash flow, and financial condition. The impact of any such event will depend on, among other things, the duration of such event, the impact of government actions in response to any such event, the effectiveness of actions taken, and changes to consumer and customer behaviors as a result of the applicable event.

Effect of Negative Economic Conditions. A downturn in the economic conditions in the Target Area, other investment locations, the United States or around the world may cause declines in the real estate markets resulting in decreases in the value of the Properties, Loans or other Investments. Such conditions could adversely affect the liquidity of the Properties, Loans or other Investments and the ability to timely dispose of the Properties, Loans and other Investments and a borrower's ability to repay Loans.

Impact of Geopolitical Events, Conditions and Policies. Current national and international political and economic events and policies, the volatility of the price of oil, natural disasters or other acts of God, the decrease in or lack of the availability of credit and financing for national and international businesses, the continued threat of terrorism both within the United States and abroad, the ongoing military and other government and economic actions and heightened security precautions in response to these threats, and international tensions between the United States and other nations may cause declines in the real estate markets and/or economic activity resulting in adverse effects on the value of investments held by the Company. The Manager may not be able to accurately anticipate or predict the extent and timing of any decreases or increases in the values of real estate markets resulting from the above factors, or how any such decreases or increases might affect the value of Investments held by the Company. Any such failure could adversely affect the Company's performance.

Financial Systems Risk. The Company and SPEs, if any, will rely on financial institutions ("banks") for custody, safe-keeping, and management of cash resources, including deposit and operating accounts, as well as credit or other financing arrangements. Accordingly, distress at one or more banks used by the Company or a SPE may impair or prevent access to cash, credit, and other financing resources. Risks related to banks are particularly heightened in the current rising interest rate environment, and recent events have included the suspension of operations and federal takeover of certain banks. While the Federal Deposit Insurance Corporation (FDIC) insures cash balances of up to \$250,000 per depositor, per bank, amounts in excess of \$250,000 in an account at a failed bank are at risk for availability and loss. If any financial institution with which the Company or a SPE maintains deposits or has credit arrangements were to experience financial distress or other circumstances that impair the ability of the Company or a SPE to

access deposited amounts (even if such amounts are FDIC insured or otherwise backed by government support) or make draw downs on existing credit facilities, the inability of the Company or a SPE to access such amounts would have a material and adverse effect on the Company. Furthermore, financial system risks that impact any counterparty of the Company or a SPE could materially and adversely impact the Company.

Indemnification of Manager. The LLC Agreement provides that the Company will indemnify and hold harmless the Manager and its members, officers, directors, agents, employees, and independent advisors hired by or providing consultation to the Manager, from and against any and all losses, claims, damages and liabilities to which they may be subject, insofar as they arise by virtue of their performance of services for the Company under its LLC Agreement, generally, to the fullest extent permitted by law.

Inflation or Deflation. Inflation and other economic factors outside of the Company's control can negatively impact returns to the Company. Inflation can adversely affect the Company by increasing costs of materials, labor, tax rates, operating expenses, insurance costs, interest rates, and other expenses. In a highly inflationary environment (such as the current market, the severity and duration of which is uncertain), the Company may be unable to raise rents at or above the rate of inflation, which could reduce the Company's profit margins. In addition, the cost of capital, labor and materials can increase, which could have an adverse impact on the Company's business or financial results. Alternatively, deflation could cause an overall decrease in spending and borrowing capacity, which could lead to deterioration in economic conditions and employment levels. Deflation could also cause the value of the Company's inventories to decline or reduce the value of Properties. These, or other factors that increase the risk of significant deflation, could have a negative impact on the Company's business or financial results.

Lack of Input Regarding Advisory Committee. The Advisory Committee will be comprised of: (i) individual members of the Manager selected by the Manager; and (ii) Members of the Company selected by the Manager, or their representatives. Accordingly, investors do not have a right to choose the members of, or to be on, the Advisory Committee. The decisions of the Advisory Committee will be binding on the Company and all Members.

Liability of Members. Under Delaware law, Members, could, under certain circumstances, be required to return distributions made by a Company to satisfy unpaid debts of such Company that were in existence at the time the distributions were made. Otherwise, Members generally are not liable for the debts and obligations of the Company beyond the amount of the capital contributions they have made or are required to make under the LLC Agreement.

Limited Additional Sources of Funds. The Manager has budgeted, and will budget, funds for working capital and contingencies. However, the sum of the aggregate capital contributions and the cash flow from operations may not be adequate for working capital needs and contingencies. The unavailability of additional funds to meet obligations could result in significant adverse economic and tax consequences to the Company and the Members, including consequences arising from a forced sale or foreclosure of all or part of the Investments.

Loss on Dissolution and Termination. In the event of a dissolution or termination of the Company, the proceeds realized from the liquidation of the assets of the Company will be distributed among the Members, but only after the satisfaction of the claims of third-party creditors of the Company, including lenders (if any) and certain fees owed to the Manager or their affiliates. The ability of a Member to recover all or any portion of such Member's investment under such circumstances will accordingly depend on the amount of net proceeds realized from such liquidation and the amount of claims to be satisfied therefrom. There can be no assurance that the Company will recognize gains on such liquidation. Additionally, Preferred Units will have a liquidation preference over holders of Class A Common Units.

Incentive Fees. The incentive fee (the “**Incentive Fee**”) as described above may create an incentive for the Manager to make decisions or investments that are riskier than it would otherwise make. The Manager’s investment in the Company and the manner in which the Incentive Fee is structured are intended to help minimize that incentive.

No Separate Counsel. Kilpatrick serves as counsel to the Manager and the Company. Kilpatrick may continue to serve in such capacity in the future and may advise the Manager in matters relating to the operation of the Company on an ongoing basis. In the event of a dispute between the Manager and the Company, Kilpatrick would represent the Manager, and the Company would need to retain separate counsel. Kilpatrick does not represent the Members, and no counsel has been retained to act on behalf of the Members. This Memorandum was prepared based on information furnished by the Manager, and Kilpatrick has not independently verified such information. Kilpatrick has not assumed any obligation to update this Memorandum.

Risks Relating to Investment in and Ownership of Real Estate

General Risks of Investing in Real Estate. The Company is subject to all the risks inherent in investing in real estate and real estate related investments. These risks include, without limitation: general and local economic and social conditions; general neighborhood property values and the adverse use of adjacent or neighboring real estate; the supply of, and demand for, properties; perceptions by prospective tenants or purchasers of the safety, convenience and attractiveness of properties and the neighborhoods in which they are located; adverse events (e.g., crime, fires, earthquakes, floods) in the geographic area surrounding properties that could have a negative effect on public perception of the safety of properties; changes in tax, zoning, building, environmental and other applicable laws; real property tax rates; changes in interest rates; governmental actions; fluctuation of real estate values; the unavailability or limited availability of credit that may render the sale of properties difficult or unattractive; calamities; and acts of bad faith. Such risks also may also cause fluctuations in operating expenses, which could adversely affect the value of real estate and real estate-related investments. The limited liquidity of real estate and real estate related investments will impair the Company’s ability to react quickly to such risks. There can be no assurance of profitability for any investment; accordingly, the investment objective of the Company may not be realized. There also can be no assurance that the Company will find suitable investments within the Target Area or elsewhere. Moreover, while the Manager generally intends for the Properties to be covered by insurance to cover casualty losses and general liability, such insurance may not be available, may be available only at prohibitive costs or may be insufficient to cover losses from ongoing operations and other risks such as earthquakes, floods or environmental contamination.

Risks of Investing in Multifamily Properties. The Company’s investments are primarily expected to consist of multifamily and mixed-use properties, and, therefore, the Company is subject to risk factors inherent in investments in multifamily properties. Any events or conditions that affect the Company’s ability to rent or lease multifamily units can negatively affect the ability of the applicable investment to generate the revenues necessary to be profitable. The Company’s ability to lease multifamily units at favorable rates, or at all, is dependent upon the overall economic environment, which is affected by, among other things, employment levels, recession, personal debt levels, the recent slowdown in the housing market, consumer interest, stock market volatility and uncertainty about the future. Concern about the stability of the markets generally and the strength of counterparties specifically may lead lenders and institutional investors to reduce, and in some cases, cease, to provide financing to borrowers. Market and economic conditions in the Target Area may significantly affect occupancy levels and rental rates and therefore profitability. In general, factors that may adversely affect market and economic conditions include the following: the economic climate, which may be adversely impacted by a reduction in jobs, industry slowdowns and other factors; local conditions, such as oversupply of, or reduced demand for, apartment homes; declines in household or business formation; favorable residential mortgage rates; rent

control or stabilization laws, or other laws regulating rental housing, which could prevent the Company from raising rents to offset increases in operating costs; and competition from alternatives and changes in market rental rates. Any of these factors would adversely affect the Company's ability to make distributions.

Risks of Investing in Retail Properties. In addition to the risk associated with multifamily properties, mixed-use properties are also subject to risk factors inherent in investments in retail properties. Any events or conditions that affect a property's ability to lease retail space will negatively affect the ability of a mixed-use property to generate the revenues necessary to be profitable. The mixed-use properties' ability to lease retail space at favorable rates, or at all, is dependent upon the overall economic environment, which is affected by, among other things, employment levels, recession, personal debt levels, the strength of the retail property market, stock market volatility and uncertainty about the future. In addition, market and economic conditions may significantly affect occupancy levels and lease rates and therefore profitability. In general, factors that may adversely affect market and economic conditions include the following: the economic climate, which may be adversely impacted by a reduction in jobs, industry slowdowns and other factors; local conditions, such as oversupply of, or reduced demand for, retail space; declines in household or business formation; changes in customer purchasing and spending habits; and competition from alternatives and changes in market rental rates. The realization of any of these factors would adversely affect the Company's ability to achieve desired operating results.

Competitive Market for Investment Opportunities. The activity of identifying, buying, leasing and selling real estate investments is highly competitive and involves a high degree of uncertainty. The Company will be competing for investments with many other real estate investment vehicles, as well as individuals, financial institutions (such as mortgage banks, pension funds and real estate investment trusts) and other institutional investors. There can be no assurance that the Company will be able to identify, buy, lease, and/or sell investments that satisfy the Company's rate of return objective, or realize upon their values or that the Company will be able to invest all of its available capital.

Business and Sales Competition. The Company will experience competition for real property sales from individuals, corporations and other entities engaged in real estate investment activities, some of whom may have greater financial resources than the Company. Competition for buyers may have the effect of reducing returns to the Company and its Members. Further, competition from similar properties may drive down demand for the Properties, which could have a negative effect on such Properties' ability to generate an acceptable rate of return.

Softness in the Local, Regional and National Economy. Prospective investors should be aware that the success of the Company will depend on the economic environment in the local regions and broader national region for real estate. If the economy suffers a protracted decline, the Company may not receive net proceeds from the Properties, or worse, may not be able to repay its financing. In a worst case scenario, this could result in a complete loss of one or more Properties (and the Company's capital in those Properties) if lenders providing financing for the Properties were to foreclose.

Illiquidity of Real Estate Investments. Because real estate investments are relatively illiquid, the Company's ability to sell its portfolio promptly in response to economic or other conditions will be substantially limited. The foregoing and any other factor or event that would impede the ability of the Company to respond to adverse changes in the value of the Properties could have an adverse effect on the Company's financial condition and results of operations.

Risks Relating to Development and Construction on the Property. The Company expects to invest in certain Properties with the intention of developing and/or constructing new improvements on the Properties. The Company's construction and development activities may be exposed to risks, including but

not limited to: (i) inability to obtain or delays in obtaining necessary building, occupancy, and other required governmental permits and authorizations which could result in delays in the ability to begin leasing the Properties; (ii) construction and development costs for the Properties that exceed original estimates due to increased materials, labor or other costs, which could make completion of the work uneconomical; (iii) inability to complete construction and/or lease the Properties on schedule and meet financial goals; (iv) inability to meet profitability goals for the Properties because occupancy rates, rents and/or sales prices may fluctuate depending on a number of factors, including market and economic conditions; and (v) the costs of maintaining, improving or upgrading the Properties may exceed original estimates and the Company may be unable to increase rental rates and/or the selling price that would compensate for these increases in costs. If any of these risks materialize, it may adversely affect the Company.

Investments in Apartment Assets. The Company expects to invest in Properties that have or will be developed into multifamily apartment complexes. Investing in apartments involves certain special risks. Apartments are particularly vulnerable to the risk that the population levels, economic conditions, or employment conditions may decline in the surrounding geographic area. Unlike many other types of real estate investments, apartment complexes do not have tenants occupying large portions of the property whose lease payments provide reliable sources of income for extended lease terms. Instead, such properties will typically have individual residential tenants with limited net worth and with lease terms that are typically one year or less. This is particularly the case with respect to low- to moderate-income housing. Apartments generally experience frequent tenant turnover due to factors such as transient populations, new competition in the area, and changes in the tenants' economic status. In addition to continuously needing to replace vacating tenants, tenant turnover at apartment complexes causes the property owner to incur significant rehabilitation and maintenance costs in order to prepare units for new tenants.

Low-Income Housing. The Fund may invest in low- and moderate-income housing projects, including housing projects focused in low-income areas. There are significant risks associated with the development and ownership of low-income housing. There may be federal, state and local governmental regulatory restrictions on the operation, rental and transfer of low-income properties. Moreover, low-income properties may require greater management expertise and may have higher operating expenses, turnover rates and sensitivity to local economic circumstances than conventional housing projects. These properties are also more likely to be subject to rent collection difficulties. Existing low-income housing may require substantial additional capital to support its operations and to make necessary improvements.

Fair Housing Compliance. The U.S. Fair Housing Amendments Act of 1988 (the "**FHAA**") requires apartment communities first occupied after March 13, 1990, to be accessible to the handicapped. A Project's underlying development's non-compliance with the FHAA could result in the imposition of fines or an award of damages to private litigants, which could impact the Company's ability to recover any of its investment in the Property.

Due Diligence and Analytic Risks. There is generally limited publicly available information about real estate properties, and the Company must therefore rely on due diligence conducted by the Manager or Manager Affiliates. In conducting due diligence, the Manager and, if applicable, Manager Affiliates may rely on information supplied by third parties. The Manager and Manager Affiliates will not be required to seek to verify such information. Should the Manager's or Manager Affiliates' pre-acquisition evaluation of the physical condition of each new investment fail to detect certain defects or necessary repairs, the total investment cost could be significantly higher than expected. Furthermore, should the Manager's or the Manager Affiliates' estimates of the costs of improving, repositioning or redeveloping an acquired investment prove too low, or estimates of the time required to achieve occupancy prove too optimistic, the profitability of the investment may be adversely affected.

Leases, Renewal of Leases and Reletting of Space. The Company's success will depend in large part on tenants of the Properties and competing with other multifamily residential apartment complex facilities to find and retain tenants. The Company will be dependent upon the tenants meeting their obligations under their leases. Accordingly, any event or condition that causes any tenant to be unable or unwilling to meet its obligations under their lease will have an adverse effect on the Company's, success. If a tenant defaults under its lease, exercises an early termination right or does not elect to renew its lease, the success of the Company may depend on its ability to relet the space. In such a case, the Properties will compete with numerous alternatives in attracting tenants. Competitive real estate alternatives in a particular area and the affordability of alternatives caused by declining real estate prices and historically low interest rates could adversely affect any Property's ability to retain tenants, lease vacant space and increase or maintain rents.

The Company's success will depend on the ability of the property manager and/or leasing agent, if any, to secure new and viable tenants for the Properties. No assurance can be given that the property manager or leasing agent, if any, will succeed in attracting or renewing these tenants. If the property manager or leasing agent are unable to lease, promptly re-let or renew a lease, if the rental rates upon such renewal or reletting are significantly lower than expected rates or if its reserves for these purposes proved inadequate, then the Company's cash flow and ability to make distributions may be adversely affected.

Market and Economic Risk. Market and economic conditions in the Washington, DC and other metropolitan statistical areas in which the Company may invest may also significantly affect occupancy levels and lease rates and therefore profitability. In general, factors that may adversely affect market and economic conditions include, among others, the following:

- the economic climate, which may be adversely impacted by a reduction in jobs, industry slowdowns and other factors;
- local conditions, such as oversupply of, or reduced demand for multifamily residential housing communities;
- declines in business formation or growth;
- laws regulating real estate, which could prevent the SPEs from raising lease rates to offset increases in operating costs; and
- competition from alternatives and changes in market rental rates.

The realization of any of these factors would adversely affect the Company's ability to achieve desired operating results and the ability of the Company to make distributions to its Members.

Abuse of Rental Properties. The tenants of the Properties may abuse or damage the properties. In such cases, the Company may have limited recourse against a tenant that does not have significant assets. Therefore, abuse and damage of the properties by tenants could negatively impact the performance of the Company.

Short-Term Lease Risk. Leases for some of the Properties may be in the form of a term of twelve months or less. As these types of leases typically permit the tenants to leave at the end of the lease term without a penalty, the Property's, and therefore the Company's rental revenue may be impacted by declines in the market rents more quickly than if such leases were for longer terms.

Natural Disasters. Natural disasters, including, without limitation, fires, floods, earthquakes, tornados or hurricanes, may cause damage to Properties and may have substantial adverse economic consequences for affected regions and surrounding areas. As indicated below under "Uninsured Loss", the Company intends to secure or arrange for the purchase of insurance for the Properties; however, losses resulting from natural disasters and other events that cause damage to Properties or real estate located near

the Properties may not be covered or may not be fully covered by the Properties' insurance, either because it was not secured, was not available, or was not economically feasible. Further, Properties damaged by natural disasters may cause the Company to suffer additional losses unrelated to the direct damages to Properties, including, without limitation, the loss of such Property's accumulated appreciation or goodwill and losses due to the Company's inability to capitalize on financial opportunities with respect to such Property. If any of the Company's Properties suffer such losses, it may adversely impact the Company's ability to make distribution to its Members.

Environmental Matters. 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 substances released or located on its property. Such laws often impose liability without regard to whether the owner knew of, or was responsible for, the release or presence of such hazardous substances. The presence of such substances, or the failure to properly remediate such substances, when released, may adversely affect the owner's ability to sell such real estate or to borrow using such real estate as collateral. In addition to clean-up actions brought by federal, state and local agencies, the presence of hazardous waste on Properties could result in personal injury or similar claims by private plaintiffs. While the Manager will not purchase a Property that the Manager knows has an environmental condition, no assurances can be given that any prior owner of such Property did not create any material environmental condition or that a materially adverse environmental condition will not otherwise exist with respect to such Property.

For Members, hazardous substance contamination on the Properties could adversely affect the Company and its ability to make distributions. In extreme cases, Members could lose their entire investment in the Company and, in the unlikely case that the liability protections afforded by the Company's limited liability the Company structure were disregarded, the Members could be exposed to strict personal liability unlimited in amount.

Risk of Terrorism. Terrorist attacks in the United States, especially in larger metropolitan areas, have increased in recent decades. The Company's investments may be directly or indirectly affected by a terrorist attack. Such an attack could have a variety of adverse consequences for the Company, including risks and costs related to the destruction of property, inability to use the Property for its intended use for an extended period, decline in rents achievable or property value, and injury or loss of life, as well as litigation related thereto.

Interest Rate Risk. The Manager expects to utilize debt financing or refinancing for some or all Properties to the extent that attractive financing terms are or become available. Because such debt financing may not include a fixed interest rate for the entire principal amount of loans over the entire loan terms, the projected interest rate could change. If there is an increase in interest rates, the debt service payments due on the loan could be higher than projected, which would reduce the amount that the Company is able to distribute to its Members and/or adversely affect the Company's performance.

Reliance on Property Managers and Other Service Providers. The Company will not directly manage the Properties, but rather, the Company or the SPE of a particular Property has or will engage the Manager or a Manager Affiliate to provide various services for the Properties, including, without limitation, development, leasing, brokerage, property management or other services to properties owned by the Company; *provided*, the Company may engage a third-party, non-affiliated property manager. In addition, The Company may engage other services providers (which may or may not be Manager Affiliates) to perform services. Accordingly, the Company will rely on the efforts of Manager Affiliates and any other services providers that are engaged with respect to the operation, development and marketing of the Properties (including, without limitation, with respect to decisions with respect to the setting of rental rates and other matters), and the Company's income from the Properties will be impacted by the performance of the service providers.

Leverage; Risk of Foreclosure. A decrease in operating revenue from the leasing of the Properties or revenue from the other Investments may materially and adversely affect the Company's ability to make distributions. No assurance can be given that future cash flow will be sufficient to make the debt service payments on any borrowed funds and also cover operating expenses. If the revenue from the Properties is insufficient to pay debt service and operating expenses, the Company would be required to seek additional funds. There can be no assurance that additional funds would be available, if needed, or, if such funds were available, that they would be available on terms acceptable to the Company. If the Company were unable to pay debt service, the lenders could foreclose on one or more of the Properties and the Members likely would lose their entire investment in the Company.

Unanticipated Capital Requirements. The Company will estimate the expenses and reserves necessary to purchase, lease, manage, hold and eventually dispose of the Properties. These estimates may prove inaccurate and the Company may need to obtain additional capital to meet its needs. Unanticipated capital requirements could result from, among other things, carrying costs being greater than estimated, decreases in anticipated rental income, greater than estimated repair expenses exceeding projections, and other items exceeding estimates.

Uninsured Loss. The Manager intends to obtain insurance covering the Properties, with policy specifications and insured limits which the Manager believes are adequate and appropriate under the circumstances. There are, however, certain types of losses that are not generally insured, because it is not economically feasible to insure against such losses. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose a significant amount of its capital and, in the case of debt which is with recourse to the Company, would remain obligated for any mortgage debt or other financial obligations related to the Property. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future.

Compliance with the Americans with Disability Act. If an investment is not in compliance with the Americans with Disabilities Act of 1990 (the "ADA"), the applicable Property will be required to pay for improvements to effect compliance with the ADA. Under the ADA, public accommodations must meet certain Federal requirements related to access and use by disabled persons. To comply with the ADA requirements, the applicable Property could be required to remove access barriers at significant cost, and non-compliance could result in the imposition of fines by the Federal government or an award of damages to private litigants. State and Federal laws in this area are constantly evolving, and could place a greater cost or burden in the future on the Company as the owner of an investment. The Company does not believe the investments are or will be in violation in any material way of the ADA. Nevertheless, there can be no assurance that remediation of ADA violations will not be required of a Property. Such remediation may impair the ability of the Company to make distributions.

Risk of Mold Contamination in Real Estate. Mold contamination has been linked to a number of health problems in the United States, resulting in recent litigation by tenants (including tenants of multifamily properties) seeking various remedies, including damages and ability to terminate their leases. Several insurance companies have reported a substantial increase in mold related claims in commercial buildings, causing a growing concern in the real estate community that real estate owners might be subject to increasing lawsuits regarding mold contamination. No assurance can be given that a mold condition will not arise in the future, with the risk of substantial damages, legal fees and possibly loss of tenants. It is unclear whether such mold claims would be covered by the customary insurance policies obtained for a Property or applicable third-party manager managing the investment.

Risks Relating to Property Taxes. Real property owned by the Company will likely be subject to real property taxes and, in some instances, personal property taxes. Such real and personal property taxes may increase as property tax rates change and as the properties are assessed by taxing authorities. An

increase in property taxes on the Company's real property or any personal property held by the Company in connection with its real property investments could adversely affect the Company's ability to make distributions.

General Risks of Private Loans. The Company may make loans to Properties or developers of Properties. Accordingly, a significant source of risk for the Company arises from the possibility that losses will be sustained by the Company because borrowers, guarantors and related parties may fail to perform in accordance with the terms of their loans. Losses from such failures could be substantial and would materially and adversely impact the Company's success.

In addition, private loan transactions are subject to illiquidity risk, interest rate risk (*e.g.*, declining interest rates lower the value of floating rate investments and increases in interest rates will cause the present value of the debt instrument to decrease), inflation risk (*e.g.*, inflation places upward pressure on interest rates and reduces the present value of assets and financial instruments), risk of claims for lender liability, risk of imposition of common law or statutory restrictions on the exercise of contractual remedies, and prepayment risk (*e.g.*, the risk that principal owed on an underlying debt instrument is paid in full prior to maturity).

Risk of Non-Performing Loans. Non-performing private loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such private loan. However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such private loan, replacement "takeout" financing by the borrower will not be available. Foreclosure processes vary from jurisdiction to jurisdiction and can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims, and defenses against the holder of a loan, including, without limitation, lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. During foreclosure proceedings, a borrower may have the ability to file for bankruptcy or its equivalent, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the applicable collateral and may result in disrupting ongoing use, leasing, and/or management of such collateral. Further, with respect to the Warehoused Property Development Loan which is with affiliates of Investhome, a Manager Affiliate, the Manager will have a conflict of interest with respect to pursuing any remedies (*e.g.*, lawsuits, foreclosure, *etc.*) against the borrower, even where collateral or assets are potentially available (in part or in full) to satisfy the outstanding principal and/or interest.

It is possible that any private loan may become non-performing and possibly default. There can be no assurance as to the amount and timing of payments with respect to any private loan. There can be no assurance that a private loan will increase in value or that the Company will not incur significant losses.

Risks Relating to Private Offering and Lack of Liquidity

Limited Transferability of Securities. Each Member will be required to represent that he or she is acquiring the Units for investment and not with a view to distribution or resale, that such Member understands that the Units are not freely transferable and, in any event, that such Member must bear the economic risk of investment in the Units for an indefinite period of time because: (i) the Units have not been registered under the 1933 Act or applicable state securities laws; and (ii) the Units cannot be sold unless they are subsequently registered or an exemption from such registration is available and such Member complies with the other applicable provisions of the LLC Agreement. Even if securities law exemptions are available and a transfer would be permitted under the LLC Agreement, no ready market now exists, nor can such a market be expected to exist, for the sale, transfer or other disposition of the Units. Therefore, it should be anticipated that a Member will be required to bear the economic risk of its investment for an indefinite period of time.

The Members will be required to obtain the prior written consent of the Manager to transfer Units. The Manager reasonably may or may not consent to a request for approval to transfer Units. Further, the sale of the Units may have adverse Federal income tax consequences. See “Certain U.S. Federal Income Tax Considerations” below.

Lack of Diversification. As noted above, the Manager currently expects that the Company’s Properties will be concentrated, if not exclusively, in the Target Area. As a result, it is unlikely that the Company will hold significantly diversified assets. Prospective investors should not expect that the Company, in and of itself, will provide the benefits of a reduction in risk inherent in holding a well-diversified portfolio of assets. Accordingly, prospective investors should consider an investment in the Company to be subject to greater risk because the Company is likely to be concentrated and not significantly diversified.

Illiquid and Long-Term Investments. Investment in the Company requires a long-term commitment with no certainty of return. The Investments of the Company may be highly illiquid, and there can be no assurance the Company will be able to realize any capital appreciation or income on such investments in a timely manner.

Distributions from the Company. It is the Manager’s intention that the Company make distributions to Members, but there can be no assurance as to when or whether the Company will have cash on hand to make such distributions. The return to the Members of their investment in the Company will depend, among other things, upon such factors as the gross receipts of Properties and the level of expenditures required and reserves maintained for each Property. There can be no assurance regarding the adequacy of any Property’s gross receipts, or its expenditure or reserve requirements, all of which will fluctuate from time to time.

Limitations on Redemptions. A Member’s Class A Common Units are subject to limitations on redemptions under the Unit Repurchase Plan, including, among others: (i) a Member being required to have held the applicable Class A Common Units for at least three years to participate in the Unit Repurchase Plan without a discount upon repurchase; (ii) a limitation on the number of Class A Common Units that may be redeemed for any given period; (iii) restrictions on redemptions if the Manager believes such redemptions would disqualify the Company from being a REIT; and (iv) the funding for the repurchase of Units is limited to the net proceeds the Company receives from the sale of Class A Common Units under the Reinvestment Plan and any available sales proceeds from the disposition of an Investment to the extent not otherwise required to be distributed to Members under the REIT requirements. There can be no assurance as to when or whether the Company will have proceeds on hand to be able to make such redemptions. For more information, see “Description of Unit Repurchase Plan” below.

Effect of Substantial Redemptions. Substantial redemption requests by investors could require the Company to close out of investments more rapidly than would otherwise be desirable or use available funds to meet redemption requests instead of using such funds for additional investments or Company expenses, any of which could negatively impact the Company and reduce the NAV of the Units.

Forward-Looking Statements. Forward-looking statements prepared by the Company or the Manager have not been reviewed, analyzed, or otherwise passed upon by the Company’s legal counsel or accounting firm. Such “forward-looking” statements are based on various assumptions of the Company, which assumptions may not prove to be correct. Accordingly, there can be no assurance that such assumptions and statements will accurately predict future events or the Company’s actual performance. In addition, any projections and statements, written or oral, which do not conform to those contained in this Memorandum should be disregarded. No representation or warranty can be given that the estimates, opinions or assumptions made herein will prove to be accurate. Any projections and forward-looking

statements included in this Memorandum and all other materials or documents supplied by the Manager should be considered speculative and are qualified in their entirety by the information and risks disclosed in this Memorandum. Actual results for any period may or may not approximate such forward-looking statements. Prospective investors are advised to consult with their own independent tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. No representations or warranties whatsoever are made by the Manager, its affiliates or any other person or entity as to the future profitability of the Company or the results of making an investment in the Units.

Limited Private Offering; Absence of SEC and Applicable State Securities Commissions Reviews. This Offering is a private offering and is not registered under the 1933 Act or under applicable state securities laws. Thus, this Memorandum has not been reviewed by the U.S. Securities and Exchange Commission (“SEC”) or by the equivalent agency of any state. Review by any such agency might result in additional disclosures or substantially different disclosures from those actually included in this Memorandum.

Private Offering Exemption — Compliance with Requirements. The Units are being offered and will be sold to prospective investors without registration with or review by the SEC under the Securities Act or the securities laws regulator of any state in reliance upon one or more exemptions from registration provided in the Securities Act and state securities laws for private offerings. If the Company should fail to comply with the requirements of such exemptions, the prospective investors may have the right, if they so desire, to rescind their purchase of the Units. It is possible that one or more prospective investors seeking rescission would succeed. If a number of Members were successful in seeking rescission, the Company would face severe financial demands that would adversely affect the Company as a whole and, thus, the investment in the Units by the remaining Members.

Lack of Regulatory Oversight. The Company will not be registered or subject to regulation as a registered investment company under the Investment Company Act of 1940 (“**Investment Company Act**”). As a result, the Company will not be subject to the provisions of the Investment Company Act that apply to registered investment companies. These provisions, among other things: (i) place restrictions on certain investment practices, such as short sales and leverage; (ii) require investment companies to have a certain percentage of disinterested directors; (iii) require securities held in custody for the account of the investment company to be segregated from the securities of any other person and marked to clearly identify the securities as the property of the investment company; and (iv) regulate the relationship between the investment company and its investment adviser and its affiliates. This Offering has not been registered under the Securities Act or under the securities law of any other applicable jurisdiction in reliance on exemptions from registration under such laws. As a result, the transfer of Units to third parties is subject to legal restrictions.

Risks for Certain Benefit Plan Investors. There are special considerations for benefit plan investors, whose assets are being invested in the Units. If a benefit plan investor is considering subscribing for an interest in the Company, that benefit plan investor should consider:

- whether the proposed investment is consistent with the applicable provisions of ERISA or the Code;
- whether the proposed investment will produce unrelated business taxable income to the applicable individual retirement account (“IRA”) or a pension and other employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA” and each such plan, “ERISA Plan”); and
- the IRA or ERISA Plan’s need to value its assets annually.

Prospective investors that are benefit plan investors should read the section hereof entitled “Individual Retirement Accounts and Benefit Plan Investors” below in its entirety for a discussion of certain risks related to an investment by benefit plan investors in the Company. Other prospective investors should read this section for a discussion of risks that could affect the Company if the Company is itself subject to Title I of ERISA or Section 4975 of the Code.

While the Manager does not believe that, under current law and regulations, the Company’s assets would be treated as “plan assets” for purposes of ERISA or the Code, if the assets of the Company were considered to be “plan assets” for purposes of ERISA and the Code, certain transactions with the Manager or its affiliates could be subject to fiduciary standards of ERISA or the Code. This could materially affect the operation of the Company, and any transaction of the Company may be deemed to be a transaction with a benefit plan investor, which, in turn, would create a risk that each transaction that the Company enters into in the ordinary course of its business could constitute a “prohibited transaction” under ERISA and the Code resulting in the Manager and its affiliates being subject to liabilities and excise taxes. Even if the Company’s assets are not considered to be plan assets, a prohibited transaction could occur if the Company, the Manager or any of their respective affiliates is a “fiduciary” or “party in interest” (within the meaning of ERISA) or a “disqualified person” (within the meaning of the Code) with respect to a purchase of Units by a benefit plan investor. Therefore, unless an administrative or statutory exemption applies, if those persons are fiduciaries (within the meaning of ERISA) of a prospective benefit plan investor, that benefit plan investor should not purchase Units.

Failure to satisfy the fiduciary standards of conduct and other applicable requirements of ERISA and the Code may result in the imposition of civil and criminal penalties and could subject the fiduciary to claims for damages or for equitable remedies. In addition, if an investment in the Units constitutes a prohibited transaction under ERISA or the Code, the fiduciary of the ERISA Plan or IRA owner who authorized or directed the investment may be subject to the imposition of excise taxes with respect to the amount invested. In the case of a prohibited transaction involving an IRA owner, the IRA may be disqualified, and all of the assets of the IRA may be deemed distributed and subjected to tax. ERISA plan fiduciaries and IRA custodians should consult with counsel before making an investment in Units.

Offering Price. The Offering Price is based on the Company’s estimated per unit net asset value (or NAV), as determined by Manager. As discussed above under “Determination of Net Asset Value”, the Manager will determine the NAV from time to time. The price at which investors purchase Units and any subsequent values are likely to differ from the price at which an investor could resell such units because: (1) there is no public trading market for the Company’s Units at this time; (2) the price may not accurately reflect the fair market value of the Company’s investments, nor represent the amount of net proceeds that would result from an immediate liquidation of the Company’s investments or sale of the company; (3) the estimated value may not accurately take into account how market fluctuations affect the value of the Company’s investments, including how the current conditions in the financial and real estate markets may affect the value of the Company’s investments; (4) the estimated value may not accurately take into account how developments related to individual investments may increase or decrease the value of the Company’s investments; and (5) the estimated value may not accurately take into account any investment premium or premiums to value that may be achieved in a liquidation of the Company’s investments or sale of the Company’s investments. The Company’s estimated per unit NAV is an estimate as of a given point in time and likely does not represent the amount of net proceeds that would result from an immediate sale of the Company’s assets.

Side Letters and Additional Terms. The Manager, on its own behalf or on behalf of the Company, and without obtaining the consent of any other Member, may enter into a Side Letter with a Member which has the effect of establishing rights under, or altering or supplementing the terms of, the

LLC Agreement or of any subscription agreement entered into by the Member in connection with its admission as a member of the Company; provided, however, that no such Side Letter shall, in the Manager's reasonable and good faith determination, adversely and materially affect the rights, privileges and powers of the other Members under the LLC Agreement. No notice of any such Side Letter or the terms contained therein is required to be given to any Member or prospective investor.

Additional Closings. Under the terms of the LLC Agreement the Manager is allowed to admit additional Members to the Company and therefore may raise additional capital for the Company through additional Closings and offerings. In the event of an additional Closing or offering, existing Members' pro rata interest in the Company will be diluted by the subsequent issuance of additional Units or other membership interest in the Company. Neither the Company nor the Manager is obligated or required to conduct or obtain a valuation or appraisal of the current value of the additional Units or other membership interests being offered and sold. Therefore, it is possible the Company will not be paid the fair value for the additional Units or other membership interests being sold.

Risk of Dilution. Each Member subscribing for Units in the Company at any time (including, without limitation, through a Member's reinvestments of distributions) will participate in distributions on a pro rata basis. Accordingly, when the Company issues additional units, current Members will experience a dilution of their pro rata interest in the Company. Holders of Class A Common Units will also experience a dilution when the Company issues additional classes of Units, including Preferred Units. Additionally, Members that choose not to participate in the Reinvestment Plan will also experience a dilution of their pro rata percentage even when the Company does not accept additional outside investments.

REIT-Related Risks

REIT Risks. The Company intends to elect to be taxable as a REIT effective by December 31, 2024, but there can be no assurance that the Company will continue to qualify as a REIT. As described more fully in the section of this Memorandum entitled "Certain U.S. Federal Income Tax Considerations – Requirements for Qualification as a REIT," REITs are subject to a range of complex organizational and operational requirements. The highly technical nature of these rules, the ongoing importance of factual determinations, and the possibility of unidentified issues in prior periods or changes in the Company's circumstances could each adversely affect the Company's ability to qualify as a REIT. For any taxable year that the Company fails to qualify as a REIT and statutory relief provisions do not apply, the Company would be taxed at the regular federal corporate rates on all of its taxable income, and the Company could also be subject to penalties and interest. Further, the Company would generally not be eligible to seek REIT status again until the fifth taxable year after the first year of its failure to qualify. Any taxes, interest, and penalties incurred would reduce the amount of cash available for distribution to Members or for reinvestment, and would adversely affect the Company's earnings, which could have a material adverse effect on the Company and the Members. Each prospective investor should carefully review the section of this Memorandum entitled "Certain U.S. Federal Income Tax Considerations" below for additional information regarding the requirements and taxation of REITs and their shareholders.

Tax Liability on Amounts Reinvested. If a Member participates in the Reinvestment Plan, a Member will be deemed to have received, and for income tax purposes will be taxed on, the amount reinvested in Class A Common Units that does not represent a return of capital. In addition, a Member may be treated, for tax purposes, as having received an additional distribution to the extent the Class A Common Units are purchased at a discount from fair market value. Such an additional deemed distribution could cause a Member to be subject to additional income tax liability. Unless a Member is a tax-exempt entity, the Member may

have to use funds from other sources to pay the Member's tax liability arising as a result of the distributions reinvested in Class A Common Units.

State and Local Taxes Notwithstanding REIT Status. Regardless of the Company's qualification as a REIT, it may be subject to some state and/or local taxes on, among other things, its income and Property. To the extent the Company is required to pay any such taxes (or penalties or interest thereon), it will have less cash available for distribution to Members. Additionally, the real property taxes on the Company's Properties may increase as property tax rates change or as the Company's properties are assessed or reassessed by taxing authorities. Therefore, the amount of property taxes the Company pay in the future may increase substantially. If the property taxes the Company pay increase and if any such increase is not reimbursable under the terms of the Company's lease, then the Company's cash flows will be impacted, and the Company's ability to pay expected distributions to the Company's unitholders could be adversely affected.

Federal Taxes Notwithstanding REIT Status. Even if the Company qualifies as a REIT, it may be subject to U.S. federal income or excise taxes in certain situations. Each prospective investor should carefully review the following risk factors, as well as the section below entitled "Certain U.S. Federal Income Tax Considerations."

REIT Compliance. As further discussed in the section entitled "Certain U.S. Federal Income Tax Considerations – Requirements for Qualification as a REIT," to qualify as a REIT for U.S. federal income tax purposes, the Company must continually satisfy tests concerning, among other things, the sources of its income, the nature, and diversification of its assets, the amounts the Company distributes to Members and the ownership of Units. Accordingly, the Company may be required to make distributions to Members at disadvantageous times or when it does not have funds readily available for distribution, or it may be required to forego or liquidate otherwise attractive investments in order to comply with the REIT tests. Thus, compliance with the REIT requirements may have a material adverse effect on the Company and the Members and may hinder the Company's ability to operate solely on the basis of maximizing profits.

Distribution Requirements. To obtain the favorable tax treatment accorded to REITs, the Company normally will be required each year to distribute to Members at least 90% of its REIT taxable income, determined without regard to the deduction for dividends paid and by excluding net capital gains. The Company will be subject to U.S. federal income tax on its undistributed taxable income and net capital gain and to a 4% nondeductible excise tax on any amount by which distributions the Company pays with respect to any calendar year are less than the sum of: (i) 85% of the Company's ordinary income; (ii) 95% of the Company's capital gain net income; and (iii) 100% of the Company's undistributed income from prior years. These requirements could cause the Company to distribute amounts that otherwise would be spent on acquisitions of Investments and it is possible that the Company might be required to borrow funds, use proceeds from the issuance of securities, pay taxable dividends of Units or debt securities or sell assets in order to distribute enough of its taxable income to maintain its qualification as a REIT and to avoid the payment of U.S. federal income and excise taxes. In addition, in the event regular distributions are insufficient to meet the distribution requirements applicable to a REIT, the Company may take advantage of "spillover," "consent" or "deficiency" dividend procedures, which could result in the recognition of dividend income by Members without a corresponding distribution of cash.

Prohibited Transactions. If the Company sells any "dealer" property, the net income from such sale would be subject to a 100% "prohibited transactions" tax. The determination of whether any property is "dealer property" is a fact-specific question, and although the Company intends to structure any dispositions of Properties in a manner that avoids such tax, no assurance can be provided in this regard.

Further, to the extent that the Company seeks to avoid imposition of the prohibited transaction tax by causing one of its TRSs to dispose of the applicable property, such TRS would generally be subject to corporate income tax on its net gain resulting from such disposition.

Built-in Gain Tax. If the Company acquires any asset from a C corporation (i.e., a corporation generally subject to full corporate-level tax) in a merger or other transaction in which the Company acquires a basis in the asset determined by reference either to the C corporation's basis in the asset or to another asset, the Company will pay tax, at the highest U.S. federal corporate income tax rate, on any built-in gain recognized on a taxable disposition of the asset during the five-year period after its acquisition.

Ownership and Transfer Restrictions. The LLC Agreement, with certain exceptions, authorizes the Manager to take such actions as are necessary and desirable to preserve the Company's qualification as a REIT. Further, unless exempted by the Manager, the LLC Agreement prohibits any person from beneficially or constructively owning more than 9.8% in value or number of Units, whichever is more restrictive, of the outstanding Units. The Manager has no obligation to, and may not, grant an exemption from these restrictions to any proposed transferee whose ownership in excess of such ownership limit would result in the Company failing to qualify as a REIT or result in any penalty or excise taxes on the Company. Members will be required to obtain the prior written consent of the Manager to assign, convey, sell, hypothecate, transfer, pledge, encumber, dispose, or in any way alienate all or any part of their Units. The Manager reasonably may or may not consent to a request for approval to transfer Units, even where such a transfer would be permitted under applicable law. Further, the sale of Units may have adverse federal income tax consequences.

Dividend Rate. The maximum U.S. federal income tax rate applicable to qualified dividend income paid to U.S. stockholders that are individuals, trusts, and estates currently is 20%. Dividends paid by a REIT generally are not eligible for this preferential rate (unless such dividends are attributable to capital gains recognized by the REIT or dividends received by the REIT from a taxable corporation (for example, a TRS)), but under current law, U.S. individuals may be able to deduct 20% of income received as ordinary REIT dividends through the end of 2025, thus reducing the maximum effective U.S. federal income tax rate on such dividend. In addition, the Treasury Regulations impose a minimum holding period for the 20% deduction that was not set forth in the Code. Under the Treasury Regulations, in order for a REIT dividend with respect to a share of REIT stock to be treated as a qualified REIT dividend, the U.S. Member (i) must have held the share for more than 45 days during the 91-day period beginning on the date which is 45 days before the date on which such share becomes ex-dividend with respect to such dividend and (ii) cannot have been under an obligation to make related payments with respect to positions in substantially similar or related property (e.g., pursuant to a short sale).

REIT Investments. The Company may invest in other REITs, whether publicly or privately traded. Because their investment portfolio is primarily comprised of real estate investments, REITs are subject to risks associated with real estate in general. In addition, REITs are subject to risks of poor management, the uncertainties of development and construction projects, potential defaults by highly leveraged borrowers, and general market risks. REITs may also be subject to fluctuations of the markets on which they trade. REITs are also subject to tax risks and heavy cash flow dependency as they must distribute at least 90% of their net earnings each year to shareholders in order to maintain their tax status under the Code. See "Certain U.S. Federal Income Tax Considerations" for further information.

Changes in U.S. Federal Tax Laws or Regulations. At any time, the U.S. federal income tax laws or the Treasury Regulations governing REITs or the administrative interpretations of those laws or Treasury

Regulations may be amended. Neither the Manager nor the Company can predict when or if any new U.S. federal income tax law, Treasury Regulation or administrative interpretation or any amendment to any existing U.S. federal income tax law, Treasury Regulation or administrative interpretation, will be adopted, promulgated or become effective and any such law, regulation or interpretation may take effect retroactively. The Company and its Members could be adversely affected by any such change in, or any new, U.S. federal income tax law, regulation, or administrative interpretation.

Taxation of Subsidiaries. The Company may make investments in properties through entities treated as partnerships or disregarded entities. As a disregarded entity or partnership, the Company's subsidiaries would not be subject to federal income tax on their income. However, if the U.S. Internal Revenue Service ("IRS") were to successfully challenge the status of any of the Company's subsidiaries as a disregarded entity or partnership, the subsidiary could be taxable as a corporation. In such event, this would reduce the amount of distributions that the operating partnership could make to the Company. This could also result in the Company losing REIT status and becoming subject to a corporate-level tax on the Company's income. This would substantially reduce the cash available to the Company to make distributions to its Members and the return on Members investments.

Non-U.S. investors may be subject to U.S. federal withholding tax and may be subject to U.S. federal income tax upon the disposition of the Company's units. Gain recognized by a non-U.S. investors upon the sale or exchange of the Company's Class A Common Unit generally will not be subject to U.S. federal income taxation unless such unit constitutes a "U.S. real property interest" ("USRPI") under the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"). The Company's common units will not constitute USRPIs so long as the Company are a "domestically-controlled qualified investment entity." A domestically-controlled qualified investment entity includes a REIT if at all times during a specified testing period, less than 50% in value of such REIT's unit is held directly or indirectly by non-U.S. investors. The Company believes that it is, and will remain, a domestically-controlled qualified investment entity. However, because the Company's Class A Common Units may be transferred in certain limited circumstances, no assurance can be given that the Company is or will be a domestically-controlled qualified investment entity.

If the Company were considered to have actually or constructively paid a "preferential dividend" to certain investors, the Company's status as a REIT could be adversely affected. In order for the Company's distributions to be counted as satisfying the annual distribution requirements for REITs, and to provide the Company with a REIT-level tax deduction, the distributions must not be "preferential dividends." A dividend is not a preferential dividend if the distribution is pro rata among all outstanding units within a particular class, and in accordance with the preferences among the different classes of unit as set forth in the Company's organizational documents. There is uncertainty as to the IRS's position regarding whether certain arrangements that REITs (including distribution reinvestment plans) have with their investors could give rise to the inadvertent payment of a preferential dividend. While the Manager believes that the Company's operations have been structured in such a manner that the Company will not be treated as inadvertently paying preferential dividends, there is no *de minimis* or reasonable cause exception with respect to preferential dividends under the Code. Therefore, if the IRS were to take the position that the Company inadvertently paid a preferential dividend, the Company may be deemed either to (a) have distributed less than 100% of the Company's REIT taxable income and be subject to tax on the undistributed portion or (b) have distributed less than 90% of the Company's REIT taxable income and the Company's status as a REIT could be terminated for the year in which such determination is made and for the four taxable years following the year of termination if the Company was unable to cure such failure.

Complying with REIT requirements may limit the Company's ability to hedge its liabilities effectively and may cause the Company to incur tax liabilities. The REIT provisions of the Code may limit the Company's ability to hedge its liabilities. Any income from a hedging transaction the Company enters into to manage risk of interest rate changes, price changes or currency fluctuations with respect to borrowings made or to be made to acquire or carry real estate assets or to offset certain other positions, if properly identified under applicable Treasury Regulations, does not constitute "gross income" for purposes of the 75% or 95% gross income tests. To the extent that the Company enters into other types of hedging transactions, the income from those transactions will likely be treated as non-qualifying income for purposes of one or both of the gross income tests. As a result of these rules, the Company may need to limit the Company's use of advantageous hedging techniques or implement those hedges through a taxable REIT subsidiary ("TRS").

The unit ownership restrictions of the Code for REITs and the 9.8% unit ownership limit in the Company's LLC Agreement may restrict the Company's business combination opportunities. In order to qualify as a REIT, five or fewer individuals, as defined in the Code, may not own, actually or constructively, more than 50% in value of the Company's issued and outstanding units at any time during the last half of each taxable year, other than the first year for which a REIT election is made. Attribution rules in the Code determine if any individual or entity actually or constructively owns the Company's units under this requirement. Additionally, at least 100 persons must beneficially own the Company's units during at least 335 days of a taxable year for each taxable year, other than the first year for which a REIT election is made. To help ensure that the Company meet these tests, among other purposes, the Company's LLC Agreement restricts the acquisition and ownership of the Company's units. Further, the Company expects to issue Preferred Units to at least 100 holders.

The LLC Agreement, with certain exceptions, authorizes the Company's Manager to take such actions as are necessary and desirable to preserve the Company's qualification as a REIT. Unless exempted by the Manager, for so long as the Company qualify as a REIT, the Company's LLC Agreement prohibits, among other limitations on ownership and transfer of the Company's Units, any person from beneficially or constructively owning (applying certain attribution rules under the Code) more than 9.8% in value of the aggregate of the Company's outstanding units and more than 9.8% (in value or in number of units, whichever is more restrictive) of any class or series of the Company's units. The Manager, in its sole discretion and upon receipt of certain representations and undertakings, may exempt a person (prospectively or retrospectively) from the ownership limits. However, the Manager may not, among other limitations, grant an exemption from these ownership restrictions to any proposed transferee whose ownership, direct or indirect, in excess of the 9.8% ownership limit would result in the termination of the Company's qualification as a REIT. These restrictions on transferability and ownership will not apply, however, if the Manager determines that it is no longer in the Company's best interest to continue to qualify as a REIT or that compliance with the restrictions is no longer required in order for the Company to continue to so qualify as a REIT. These ownership limits could delay or prevent a transaction or a change in control that might involve a premium price for the Company's common unit or otherwise be in the best interest of the Company's Members.

CONFLICTS OF INTEREST

The Company will be subject to various conflicts of interest arising out of its relationship with Manager and Manager Affiliates. Each of these conflicts of interest, including, without limitation, those described below, subjects the Company to the risk that the Manager may not, or may not be able to, navigate such conflicts of interest without any disadvantages or adverse effects to the Company. Accordingly, each

of these conflicts presents substantial risks of adverse consequences for the Company and should be considered carefully before investing.

Other Investments and Business Activities

The Company's LLC Agreement permits the Manager and its principals to make investments for their own accounts, including investments competitive with those of the Company, without having or incurring any obligation to disclose or to offer any interest in such activities to the Company or any other Member. Furthermore, the Manager will not be required to devote full time to the business of the Company but rather only such time as is necessary to manage the assets of the Company and carry out and conduct the business of the Company.

The Manager and Manager Affiliates are engaged in various aspects of the real estate investment, development and management business, including without limitation, the acquisition, development, transfer and sale of interests in real estate for their own account and for the account of others. Some of these investments may be competitive with the Investments of the Company. The Manager and its principals reserve the right to continue investing privately in properties and other investments with the same investment objective as that of the Company. The Manager reserves the right to organize additional investment partnerships and companies with an investment objective similar to or the same as the Company, and the Manager reserves the right to have clients other than the Members whose accounts are traded with the same investment objective as either. In addition, it may occasionally be necessary for the Manager to allocate limited investment opportunities among the Company and other clients on a basis deemed appropriate in their respective sole discretion. Members will have no access to the records of the Manager, its principals, or the accounts of other clients of the Manager.

Further, the Company may purchase Properties or other assets from the Manager or Manager Affiliates and/or sell Properties or portions of Properties to the Manager or to Manager Affiliates; provided that any material transaction by the Company with the Manager or a Manager Affiliate that is not otherwise described in this Memorandum will need to be approved by a majority vote of the members of the Advisory Board.

The Manager or Manager Affiliates may also lend money to the Company on commercially reasonable terms to take advantage of opportunities for investment that the Manager determines to be in the best interests of the Company.

Compensation to Manager and Manager Affiliates

The Manager will receive compensation for the organization, management and operation of the business of the Company. Such compensation has not been negotiated at arm's length and may or may not represent the fair market value of the services provided to the Company by the Manager. See "Description of the LLC Agreement – Manager Compensation" in this Memorandum.

As noted above in the Summary of Principal Terms, the Manager will be paid, among other things, the Asset Management Fee and Property Management Fee by the Company, and will engage Manager or persons in the Manager or Manager Affiliates to provide various services (including, without limitation, property-level asset management services, loan servicing services, services related to originating financing or loans, brokerage services with respect to buying and selling of properties and property development and construction management services) to the Company. Compensation of the Manager or Manager Affiliates (as described above) will not be negotiated at arm's length, but rather will be determined by the Manager based on prevailing market rates for the size, scope and other characteristics of the applicable project. For

leasing or brokerage services, fee rates also generally depend on whether a property is co-brokered or co-leased.

In addition to the foregoing, the Manager may from time to time engage persons in the Manager or Manager Affiliates on behalf of the Company to provide other services to the Company. In such event, such persons will be compensated for their services to the Company based on prevailing market rates, but these will be determined based on the Manager's judgment and will not be negotiated at arm's length.

Performance Allocation. The Manager shall also be entitled to the Incentive Fee as noted in the Summary of Principal Terms. The existence of the Incentive Fee creates an incentive for the Manager to make or recommend riskier or more speculative investments for the Company than would be the case in the absence of such incentive compensation.

Purchasing Properties from a Manager or Manager Affiliate. As noted above, it is currently anticipated that the Company will make the Warehoused Property Development Loan to Manager Affiliates to support the development of the Warehouse Property and following the development of the Warehouse Property the Company will acquire the Warehoused Property from the Manager Affiliates. These transactions will not be negotiated at arm's length and but upon terms the Manager believes are at prevailing market rates, however, such terms may or may not represent the fair market value for the loans or the purchase price of the Warehouse Property. Additionally, because the Warehoused Property are directly or indirectly owned by a Manager Affiliate, the Manager would have a conflict of interest with respect to enforcing any terms of the Warehoused Property Development Loan. Further the Company may be involved in other loans or purchases of Properties owned by a Manager Affiliate. Each of these transactions presents a conflict of interest for the Manager. The Manager anticipates requesting the Advisory Board approve on any purchases or sales of Properties from or to a Manager Affiliate.

Indemnification. The Company's LLC Agreement also provides that the Company will indemnify the Manager for any loss or damage incurred on behalf of the Company or in furtherance of the Company's interests without relieving the Manager and such related persons of liability for gross negligence, fraud, or actions committed in bad faith. However, the SEC has expressed its opinion that indemnification for liabilities under the 1933 Act is against public policy as expressed in the 1933 Act, so indemnification for 1933 Act liabilities may be unenforceable.

Valuation of Assets. The Manager has discretion to value the Company's Investments and other assets, as the Manager determines. The Manager has a conflict of interest in that the Manager will receive higher Management Fees and other compensation if the assets are given a favorable valuation.

While the foregoing conflicts could materially and adversely affect the Company and the Members, the Manager, in its sole judgement and discretion, will attempt to mitigate such conflicts by the exercise of business judgement in an attempt to fulfill its obligations, however, there can be no assurance that such an attempt will prevent adverse consequences resulting from the conflicts of interest.

By purchasing Units, Members are deemed to have acknowledged the existence of the above actual or potential conflicts of interest and to have waived any claim with respect to liability arising from the existence of any such conflicts of interest.

The foregoing list of risk factors and conflicts of interest does not purport to be a complete enumeration or explanation of the risks and conflicts of interest involved in an investment in the Company. Offerees should read this entire Memorandum and the LLC Agreement and consult with their own legal, tax, financial and accounting advisors before deciding to make an investment and purchase Units.

USE OF PROCEEDS

The net proceeds from the Offering will be used by the Company to (i) make investments in the Investments in accordance with the Company's investment objective and for general working capital purposes; and (ii) pay (or reimburse the Manager for) expenses of the Company, including, without limitation, Organizational Expenses (as defined below) and operating expenses of the Company.

DESCRIPTION OF THE LLC AGREEMENT

Upon acceptance of their subscriptions, subscribers will be admitted to the Company and will become Members therein, and will become parties to and be bound by the terms and conditions of the LLC Agreement, as it may be amended from time to time, and the Certificate of Formation for the Company. The operations and activities of the Company will be governed by the terms and conditions thereof. The following is a summary description of various provisions of the LLC Agreement; however, prospective investors should refer to the LLC Agreement regarding its precise terms and the nature or impact of its provisions. Except as otherwise defined in this Memorandum, capitalized terms used in this section have the meanings ascribed to them in the LLC Agreement.

Management. The Manager has, with respect to Investments and the business of the Company, the rights, authority and powers of a "Manager" as set forth in the Delaware Limited Liability Company Act. The Manager is charged with the full responsibility for managing and promoting the business of the Company and will devote its diligent efforts to the business and affairs of the Company.

Removal of Manager. The Manager may be removed as the manager (but not as a Member) of the Company upon the occurrence of a Bad Act Manager Removal Event (as defined below) by the written consent of Members holding as least 75% of the Class A Common Units (other than the Manager or any Manager Affiliates), upon no less than thirty (30) days' prior written notice given to the Manager and provided that, if a the Company is subject to any loan documents with a third-party lender (other than the Manager or a Manager Affiliate), the lender thereunder has approved such removal (or such removal is permitted under the applicable loan documents), under the following circumstances (each a "**Bad Act Manager Removal Event**"): (1) the Manager is found by a court of competent jurisdiction to have committed a felony that materially impacts the operations of the Company; or (2) the Manager is found by a court of competent jurisdiction to have committed fraud or willful misconduct with respect to the Company.

Indemnification. The Company will indemnify and hold harmless the Manager, its affiliates, and their respective officers, managers, employees, directors, agents, stockholders, members, and partners and any other person who serves at the request of the Manager on behalf of the Company as an officer, manager, director, partner, member, advisor, employee or agent of any of such entities (each such person, an "**Indemnitee**"), from and against any and all losses, claims, damages, expenses, and liabilities, and actions in respect thereof, joint or several, to which an Indemnitee may be subject by reason such Indemnitee's activities on behalf of the Company or in furtherance of the interest of the Company or otherwise arising out of or in connection with the Company, the Properties, or any other investments of the Company (collectively, "**Losses**"), and will reimburse each such Indemnitee for any legal or other expenses reasonably incurred by such Indemnitee in connection with investigating, defending or preparing to defend any such Losses; *provided, however*, that the Company will not be liable in any such case to the extent that, in the final judgment of a court of competent jurisdiction, such Losses are found to have arisen from an Indemnitee's own fraud, willful misconduct, gross negligence, bad faith, or intentional and material breach

of the LLC Agreement. Expenses incurred in defending a civil or criminal action, suit or proceeding, if requested by an Indemnitee, will be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by such Indemnitee to repay such amount plus reasonable interest in the event that, in the final judgment of a court of competent jurisdiction, such Indemnitee is found to have committed fraud, willful misconduct, gross negligence, bad faith, or an intentional and material breach of the LLC Agreement, and such Losses have resulted therefrom. For clarity, the Company will have no obligation to indemnify any Indemnitee for: (i) economic losses incurred by such Indemnitee as a result of such Indemnitee's investment in the Company or in a Property; or (ii) expenses of the Company that an Indemnitee has agreed to bear.

Accounting, Books and Records. The Company initially will maintain its records on the accrual basis of accounting, but the Manager is permitted to make any changes in accounting method that it deems advisable from time to time, provided that such method is in accordance with generally accepted accounting principles or other accounting principles acceptable to the Manager, consistently applied. The books and records of the Company will, at the election of the Manager, be maintained at the principal office of the Company or the office of the Company's independent certified public accountant, and will be available, upon reasonable notice, for inspection by any Member at reasonable hours during the business day.

Financial Reports. As soon as practicable after the end of each of the Company's fiscal years, the Manager shall cause to be prepared audited financial statements of the Company for such fiscal year. The Manager will deliver copies of such financial statements to the Members as soon as practicable after they are completed.

Manager Compensation. The Manager and other entities or individuals controlling, under the control of, or under common control with the Manager (each a "**Manager Affiliate**") will be compensated for such services as described below:

- *Asset Management Fee.* The Company shall pay to the Manager an annual asset management fee (the "**Management Fee**") equal to 1.0% annually (0.25% each quarter) of the aggregate value of the Company's capital assets (without deduction for depreciation). Management Fee payments shall be due on the first day of each calendar quarter, in arrears, beginning on the first business day of the first calendar quarter commencing following the Initial Closing. The Manager may, in its sole discretion, waive all or a portion of the Management Fee or defer payment of the Management Fee for payment at a later date.
- *Incentive Fee:* The Company shall pay to the Manager an incentive fee (the "**Incentive Fee**"). The Incentive Fee components are designed so that the Manager does not receive an Incentive Fee until the Class A Members have first received dividends of at least 6% annually, and then those fees are payable so that the Manager receives 20% of the Company's profits. The Incentive Fee is made up of two components – cash flow and sales proceeds.
 - The cash flow component is 20% of the Company's current cash received as interest or lease payments and other operating income net of current expenses ("**Cash Flow**") for any calendar quarter that exceeds 1.5% (6% annualized) of the aggregate "**Contributed Capital**" of the Company. "**Contributed Capital**" means the amount of capital contributed to the Company for the purchase of Class A Common Units, less any amounts paid out for repurchases of Class A Common Units.
 - The sales proceeds component is 20% of the Company's realized profits annually generated by the refinancing, sale or other disposition of an Investment or any

portion of any Investment (“**Sales Proceed Profits**”) above 6% of Contributed Capital, all computed net of all realized capital losses and unrealized capital depreciation on a cumulative basis, less the aggregate amount of any previously paid sales proceed incentive fees.

- Property-Level Asset Management Fees. The Company shall pay the Manager or Manager Affiliate a property management fee (“**Property Management Fees**”) in an amount equal to an annualized 1.5% of the Effective Gross Income (as defined below) from the Company’s Properties that will be paid monthly to the Manager for asset management services related to certain transactions. “**Effective Gross Income**” means a Property’s gross rental income plus other income less vacancy and credit costs for any applicable periods.
- Loan Servicing Fees. The Manager or Manager Affiliate may charge the Company fees for loan servicing services provided to the Company (e.g., monitoring loan payments collected and other services relating to the loans issued or owned by the Company) (each, a “**Loan Servicing Fee**”) which Loan Servicing Fee shall not exceed 0.5% of the value of the applicable Loan.

Additionally, the Manager or Manager Affiliate may receive compensation from the Company, any SPE or third-parties for services provided to the Company and/or third parties related to the Properties, including, without limitation, the following:

- Financing Coordination Fee and Credit Guarantee Fee. The Manager or Manager Affiliate may receive fees for originating financing or loans on behalf of the Company (each, a “**Financing Coordination Fee**”) which Financing Coordination Fee shall not exceed 0.5% of the applicable financing amount.
- Buyer’s Real Estate Brokerage Fee / Real Estate Due Diligence Fees. The Company or a third-party may engage the Manager or a Manager Affiliate to provide real estate brokerage services for any the Company with respect to the buying of any Property. In return for such services, the Company may pay the Manager or Manager Affiliate real estate brokerage fees of up to 2.5% of the contract sales price of the Property for the Company’s acquisition of the Property (“**Buyer Brokerage Fees**”).
- Seller’s Real Estate Brokerage Fee / Real Estate Disposition Fees. The Company or a third-party may engage the Manager or a Manager Affiliate to provide real estate brokerage services for any the Company with respect to the selling of any Property. In return for such services, the Company may pay the Manager or Manager Affiliate real estate brokerage fees of up to 1.5% of the of the contract sales price of a of the Property (“**Seller Brokerage Fees**”).
- Construction Management Fees. The Company or a third-party developer may engage the Manager or a Manager Affiliate to provide property development and/or construction management services for any Property, and in return for such services, the Company may pay the Manager or Manager Affiliate a construction management fee of up to 5% of the construction and/or development costs incurred with respect to the Property (the “**Construction Management Fee**”).

Organizational Expenses. The Company will be responsible for, or will reimburse the Manager for, expenses related to the Offering and organization of the Company (“**Organizational Expenses**”). Organizational Expenses will include any and all expenses incurred in organizing the Company, conducting the Offering, and for expenses related thereto, including, without limitation, state registration fees, legal fees, consulting fees, accounting fees, printing fees, travel and related expenses, and any other fees and

expenses incurred by the Company in offering Units. The reimbursement by the Company of Organizational Expenses may be amortized over a period of up to 60 months, as determined by the Manager in its sole discretion.

Operating Expenses. The Company will be responsible for its ordinary operating expenses, including, without limitation, all expenses related to acquiring, maintaining, financing, managing, developing and disposing of Properties, research expenses, due diligence expenses incurred in evaluating potential properties (including, without limitation, travel and third-party service fees and broken-deal expenses), brokerage commissions, legal fees, accounting and auditing fees, custodial fees, insurance, software licenses, interest, taxes, real estate and loan brokerage commissions, property management fees, construction management fees, construction fees and expenses, service fees, guaranty fees, extraordinary expenses, and any and all other expenses deemed appropriate for the Company, as determined in the sole discretion of the Manager.

Initial Capital Contributions. At each Closing, Members will deliver (in addition to the documents required above, under “**Subscription Procedure**”) the Members’ full subscription price for the number of Class A Common Units purchased.

Dividends. The Company will pay dividends in accordance with the terms of the LLC Agreement. Prospective investors should read the LLC Agreement carefully. In summation, distributions will be made first to the Members, pro rata in accordance their Units. Distributions to Class A Common Units will be subordinated to the Preferred Units. In the event the Company issues a preferred class of equity interests in addition to the Preferred Units, holders of such preferred equity interests would be entitled to dividends on the preferred equity interests before the Company pays any dividends on the Units.

Withholding. The Manager will be entitled to withhold from any distributions amounts necessary for payment of expenses and liabilities of the Company and any additional amount considered appropriate by the Manager to create cash reserves for taxes, debt service, insurance, repairs, replacements or renewals and/or other obligations, costs, expenses and liabilities, contingent or otherwise, anticipated by the Manager.

Reinvestment Plan. The LLC Agreement provides for the adoption of a distribution reinvestment plan for the Company (a “**Reinvestment Plan**”), pursuant to which a Member may have the distributions such Member receives from the Company reinvested in additional Class A Common Units (*i.e.*, Class A-1 Common Units for U.S. Persons and Class A-2 Common Units for non-U.S. Persons). The purchase price per Class A Common Unit under the Reinvestment Plan will be equal to the most recent estimated per unit NAV for the Class A Common Units, less the aggregate distributions per Class A Common Unit of any net sale proceeds from the sale of one or more of the Company’s assets or other special distributions so designated by the Manager. Distributions on Class A Common Units subject to the Reinvestment Plan will be reinvested in additional Class A Common Units of the Company. If a Member participates in the Company’s distribution reinvestment plan, the Member will not receive the cash from the Member’s distributions, other than special distributions that are designated by the Manager. As a result, the Member may have a tax liability with respect to the Member’s share of the Company’s taxable income, but the Member will not receive cash distributions to pay such liability. Notwithstanding the foregoing, the Manager may, in its sole discretion and without any prior notice, reject any reinvestment by any Member for any or no reason and require the Member take distributions rather than reinvest such distributions in additional Class A Common Units.

REIT Qualification. The LLC Agreement contains certain restrictions that are intended to help ensure the Company’s continued qualification as a REIT. In particular, the LLC Agreement provides that any transaction (including a purported transfer of a Unit) will be void to the extent that the transaction, if

effective, would result in: (x) violation of certain specified Unit ownership limits (set initially at 9.8% of Units by vote or value, whichever is more restrictive); or (y) other Company ownership concentrations that cause an adverse consequence with respect to, or as a result of, the Company's classification as a REIT. These restrictions take into account beneficial and constructive ownership, as determined under the Code. Further, Units which would result in the adverse consequence may be deemed to be "**Excess Units**" and to have been automatically transferred to a trust for a charitable beneficiary. Neither a transferor nor a purported transferee in a transaction that results in Excess Units will have any rights with respect to such Excess Units (including voting and economic rights), except that they may receive limited proceeds from the trust's disposition of such Excess Units. Such proceeds will not exceed the purchase price received by the trust from such disposition, the price to have been paid by the purported transferee, and the fair market value of Units on the purported transfer date (whichever is lower). The LLC Agreement provides the Manager with discretion to waive certain of the foregoing restrictions, as well as discretion to take further actions that it determines necessary to preserve the Company's classification as a REIT. The Manager has no obligation to, and may not, exercise its discretion to waive any such restriction.

Limitations on Transferability and No Withdrawals. Each Member will be required to represent that it is acquiring Units for investment and not with a view to distribution or resale, that the Member understands that Units are not freely transferable, and in any event, that the Member must bear the economic risk of an investment in Units for an indefinite period of time because: (i) Units have not been registered under the Securities Act of 1933, as amended (the "**1933 Act**" or "**Securities Act**") or applicable state securities laws; and (ii) Units cannot be sold unless they are subsequently registered or an exemption from such registration is available and the Member complies with the other applicable provisions of the LLC Agreement. Even if securities law exemptions are available and a transfer would be permitted under the LLC Agreement, no ready market now exists, nor can such a market be expected to exist, for the sale, transfer, or other disposition of Units. Therefore, it should be anticipated that each Member will be required to bear the economic risk of an investment in Units for an indefinite period of time.

Members will be required to obtain the prior written consent of the Manager to assign, convey, sell, hypothecate, transfer, pledge, encumber, dispose, or in any way alienate all or any part of their Units. The Manager reasonably may or may not consent to a request for approval to transfer Units, even where such a transfer would be permitted under applicable law. Further, the sale of Units may have adverse federal income tax consequences.

Prior to termination of the Fund, except with respect to the Unit Repurchase Plan, the Members will have no right to voluntarily withdraw from the Fund or to demand repayment of their Capital Contributions.

Description of Unit Repurchase Plan. The LLC Agreement provides for the adoption of a unit repurchase plan for the Company (the "**Unit Repurchase Plan**") to enable a Member to sell the Member's Class A Common Units to the Company in limited circumstances at the end of a fiscal quarter by giving the Company at least 90 days advance written notice. The Unit Repurchase Plan permits a Member to sell their Class A Common Units back to the Company, subject to the significant conditions and limitations summarized below:

The Unit Repurchase Plan includes numerous restrictions that limit a Member's ability to sell the Member's Class A Common Units to the Company. Generally, a Member will be required to have held the applicable Class A Common Units for at least three years to participate in the Unit Repurchase Plan without a discount upon repurchase.

Subject to funds being available, the Company will further limit the number of Class A Common Units redeemed pursuant to the Unit Repurchase Plan as follows: (1) the Company will not redeem in excess of 10% of the weighted average number of Class A Common Units outstanding during the prior calendar year (or 2.50% per quarter, with excess capacity carried over to later quarters in the calendar year); (2) the Company may restrict redemption if the Manager believes such redemptions would disqualify the Company from being a REIT; and (3) funding for the repurchase of units will be limited to the net proceeds the Company receives from the sale of Class A Common Units under the Reinvestment Plan and any available sales proceeds from the disposition of an Investment to the extent not otherwise required to be distributed to Members under the REIT requirements.

Any of the foregoing limits might prevent the Company from accommodating all repurchase requests made in any fiscal quarter or in any 12-month period, in which case the Company will facilitate repurchases on a pro rata basis, *provided*, that the Manager may, in its sole discretion, determine to give priority to the repurchase of deceased unitholders' Class A Common Units and/or then to requests for full repurchase of accounts with a balance of 500 Class A Common Units or less. In addition, if, as a result of a request for repurchase, a Member will own Class A Common Units having a value of less than \$1,000 (based on the Company's most-recent per Class A Common Unit NAV), the Company reserves the right to repurchase all of the Class A Common Units owned by such Member.

Following any such repurchase period, if a Member would like to resubmit the unsatisfied portion of the prior repurchase request for repurchase, the Member must submit a new request for repurchase of such Class A Common Units at least 90 days prior to the last day of the new quarter. Unfulfilled requests for repurchase will not be carried over automatically to subsequent repurchase periods.

The per unit repurchase price will be equal to 100% of the most recent per Class A Common Unit NAV; *provided, however*, that (i) if a repurchase is completed within one year of a Member obtaining the applicable Class A Common Units, the repurchase price will equal 70% of the most recent per Class A Common Unit NAV; (ii) if a repurchase is completed after one year but before two years of the Member obtaining the applicable Class A Common Units, the repurchase price will equal 80% of the most recent per Class A Common Unit NAV; and (iii) if a repurchase is completed after two years but before three years of the Member obtaining the applicable Class A Common Units, the repurchase price will equal 90% of the most recent per Class A Common Unit NAV. If a repurchase is completed after three years of the Member obtaining the applicable Class A Common Units, the repurchase price will equal the most recent per Class A Common Unit NAV.

The Manager may suspend or terminate the Unit Repurchase Plan at any time upon 30 days' notice to the Members holding Class A Common Units.

Dissolution of the Company. The Fund may be dissolved or terminated upon the happening of any of the following events: (i) the sale or other disposition of all or substantially all of the Company's assets; (ii) at any time by the Manager; or (iii) upon the election or written consent of the Members owning not less than two-thirds (2/3) of the outstanding Units of the Company that are not Preferred Units of the Company ("**Common Units**").

Amendments. The LLC Agreement may be amended with the affirmative consent of the Manager and the Members holding a majority of the outstanding Common Units, so long as such amendment does not disproportionately and materially adversely affect the interests of the Preferred Unit Members or another class of Common Units; *provided, however*, the Manager may amend the LLC Agreement if necessary or desirable under certain circumstances, including, but not limited, to reflect changes in the

capital contributions, to admit or effect withdrawals of the Members, to cure any ambiguity or correct or supplement any provision that may be incomplete or inconsistent with any other provision in the LLC Agreement.

THE FOREGOING IS ONLY A BRIEF SUMMARY OF CERTAIN ASPECTS OF THE LLC AGREEMENT. PROSPECTIVE INVESTORS ARE STRONGLY URGED TO REVIEW THE LLC AGREEMENT CAREFULLY FOR A COMPLETE UNDERSTANDING OF ITS TERMS AND CONDITIONS.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain aspects of the U.S. federal income taxation of the Company and its Members.

The summary is based on the Code, the Treasury Regulations and certain other guidance and authority in existence on the date hereof, all of which may be amended or revised (potentially with retroactive effect). The Company has not, and currently does not intend to, seek a ruling from the Internal Revenue Service (the “IRS”) or any other U.S. federal, state, or local agency with respect to any of the tax issues affecting the Company, nor has it obtained an opinion of counsel with respect to any U.S. federal tax issue, including the Company’s qualification as a REIT.

The following summary does not discuss, or purport to discuss, all of the tax consequences that may be relevant to a particular Member or to certain types of Members that are subject to special treatment under U.S. federal income tax laws. In particular, the following discussion does not apply to Members who are: broker-dealers; financial institutions; insurance companies; persons holding 10% or more (by value) of outstanding Units; persons holding Units as part of a “straddle,” “hedge,” “conversion transaction,” “synthetic security” or other integrated investment; persons holding Units on behalf of other persons as nominees; persons holding Units through a partnership or other pass-through entity; persons subject to the alternative minimum tax provisions of the Code; REITs; regulated investment companies; subchapter S corporations; non-U.S. governments; trusts and estates; U.S. expatriates; Non-U.S. Members (except to the extent discussed below in “Taxation of Certain Non-U.S. Members”) or tax-exempt organizations or other persons owning Units through a tax-exempt or tax-deferred arrangement such as an account that qualifies as an individual retirement account under the Code (except to the extent discussed below in “Taxation of Certain Tax-Exempt Members”).

THE FEDERAL INCOME TAX ASPECTS DISCUSSED IN THIS MEMORANDUM NECESSARILY ARE GENERAL AND MIGHT VARY DEPENDING ON EACH MEMBER’S INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, PROSPECTIVE INVESTORS: (I) ARE NOTIFIED THAT THE DISCUSSION CONTAINED UNDER THIS SECTION “U.S. FEDERAL INCOME TAXATION” IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY MEMBERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MIGHT BE IMPOSED UPON THEM UNDER THE U.S. FEDERAL TAX LAWS; AND (II) SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Taxation of the Company

The Company intends to elect to be taxed as a REIT under Sections 856 through 860 of the Code, effective for the taxable year ended December 31, 2024, the year during which the Company will begin material operations. The Company believes that it is organized and will operate in such manner to qualify for taxation as a REIT under the Code, but no assurance can be given that the Company will operate in a

manner so as to continue to qualify as a REIT. Pursuant to the LLC Agreement, the Manager is authorized to make any tax elections on the Company's behalf that, in its sole judgment, are in the Company's best interests. This authority will include the ability to elect not to qualify as a REIT for federal income tax purposes or to revoke or otherwise terminate the Company's status as a REIT. The Manager has the authority under the LLC Agreement to make these elections without the necessity of obtaining the approval of the Members. In addition, the Manager has the authority to waive any restrictions and limitations contained in the LLC Agreement that are intended to preserve the status as a REIT during any period in which the Manager has determined not to pursue or preserve the Company's status as a REIT.

Qualification and taxation as a REIT depends upon the Company's ability to satisfy various qualification tests imposed under the Code through actual annual and quarterly operating results, distribution levels and diversity of Unit ownership. Although the Company operates in a manner intended to satisfy such requirements, no assurance can be given that the actual results of operations for any particular taxable year will satisfy such requirements. The provisions of the Code, Treasury Regulations and other U.S. federal income tax laws relating to qualification and operation as a REIT are highly technical and complex. Certain aspects of the laws that govern the U.S. federal income tax treatment of a REIT are summarized below, but the summary is qualified by applicable Code provisions, rules, and Regulations promulgated thereunder, and administrative and judicial interpretations and decisions. Further, the anticipated income tax treatment described herein may be changed, with potentially retroactive effect, by legislative, administrative, or judicial action at any time.

Because the Company intends to qualify for taxation as a REIT, the Company generally will not be subject to federal corporate income taxes on the portion of the Company's ordinary income or capital gain that the Company distributes currently to Members, because the REIT provisions of the Code generally allow a REIT to deduct distributions paid to its Members. This substantially eliminates the federal "double taxation" on earnings (taxation at both the corporate level and member level) that usually results from an investment in a corporation. However, even if the Company qualifies as a REIT, the Company is subject to federal income taxation as follows:

1. U.S. federal income tax will be imposed at regular corporate rates on any undistributed REIT taxable income, including undistributed net capital gains.
2. Under certain circumstances, the Company may be subject to the corporate alternative minimum tax.
3. U.S. federal income tax will be imposed at the highest corporate rate on (a) net income from the sale or other disposition of "foreclosure property" which is held primarily for sale to customers in the ordinary course of business, and (b) other nonqualifying income from foreclosure property. "Foreclosure property" is real property and any personal property incident to such real property (i) that is acquired by a REIT as the result of the REIT having bid in the property at foreclosure, or having otherwise acquired ownership or possession of the property by agreement or process of law, after there was a default (or default was imminent) on a lease of the property or on a mortgage loan held by the REIT and secured by the property, (ii) the related loan or lease of which was acquired by the REIT at a time when default was not imminent or anticipated and (iii) for which such REIT makes a proper election to treat the property as foreclosure property.
4. A 100% penalty tax will apply to net income from "prohibited transactions." Prohibited transactions are certain sales or other dispositions of property held primarily for sale to customers in the ordinary course of business, generally other than property held for at least two years, foreclosure property, and property involuntarily converted.

5. A penalty tax will apply to the Company if it fails to satisfy the gross income or the asset tests (described in further detail below), but nonetheless maintains its qualification as a REIT because certain other requirements have been satisfied. Similarly, a penalty tax will apply to the Company if it maintains its REIT status despite its failure to satisfy one or more REIT qualification requirements other than the gross income tests and asset tests.
6. If the Company fails to distribute during each calendar year at least the sum of (x) 85% of its ordinary income for such year, (y) 95% of its net capital gain income for such year, and (z) any undistributed taxable income from prior periods, it will be subject to a 4% nondeductible excise tax on the excess of such amounts over the amount distributed.
7. If the Company were determined to have been taxable as a C corporation prior to becoming a REIT, then during the five-year period beginning on the first day of the first taxable year for which its REIT election is effective (the “**Recognition Period**”), any gain recognized by the Company on the disposition of any property held by the Company or any partnership in which an interest was held as of the beginning of such Recognition Period will be subject to tax at the highest corporate rate to the extent of the excess of (x) the fair market value of such property as of the beginning of such Recognition Period, over (y) the adjusted tax basis of the Company or the partnerships in such property as of the beginning of such Recognition Period (the “**Built-in Gain**”).
8. If the Company acquires any asset from a C corporation in a transaction in which the adjusted tax basis of the asset in the hands of the Company is determined by reference to the adjusted tax basis of the asset (or any other property) in the hands of the C corporation, and the Company recognizes gain on the disposition of such asset during the five-year period beginning on the date on which such asset was acquired by the Company, then the Built-in Gain will be subject to tax at the highest regular corporate tax rate.
9. A 100% tax will apply to any “redetermined rents,” “redetermined deductions,” “excess interest” and “redetermined TRS service income” (in each case, as defined under the Code).

If the Company fails to qualify as a REIT in any year, it would be subject to U.S. federal income tax in the same manner as a C corporation. Further, unless entitled to relief under specific statutory provisions, the Company would be disqualified from taxation as a REIT for the four taxable years following the year during which qualification was lost. It is not possible to predict whether the Company would be entitled to such statutory relief.

Requirements for Qualification as a REIT

In order to qualify as a REIT, the Company must meet, and the Company must continue to meet, the requirements discussed below relating to the Company’s organization, sources of income, nature of assets, distributions of income to the Members and recordkeeping.

REIT Qualification—Organizational Requirements. The Code defines a REIT as a corporation, trust, or association: (1) managed by one or more trustees or directors; (2) the beneficial ownership of which is evidenced by transferable shares or by transferable certificates of beneficial interest; (3) that would be taxable as a domestic corporation, but for Code Sections 856 through 860; (4) that is neither a financial institution nor an insurance company subject to certain provisions of the Code; (5) the beneficial ownership of which is held by 100 or more persons; (6) not more than 50% in value of the outstanding stock of which is owned, directly or indirectly, by five or fewer individuals, as determined under the Code, at any time during the last half of each taxable year; and (7) that meets certain other tests, described below, regarding the nature of its income and assets. The Code requires conditions (1) through (4) to be met during the entire taxable year, condition (5) to be met during at least 335 days of a taxable year of 12 months, or during a

proportionate part of a taxable year of less than 12 months (other than for the REIT's first taxable year), and that condition (6) to be met during the last half of each taxable year (other than the REIT's first taxable year).

In order to ensure compliance with the ownership tests described above, the LLC Agreement restricts the transfer of Units in certain situations. In addition, Members may be required as a condition to obtaining Units to agree to additional transfer restrictions in a subscription agreement. There can be no assurance that such restrictions will not be deemed to violate requirement (2) above. Moreover, to evidence compliance with the share ownership requirements, the Company will maintain records which disclose actual ownership of outstanding Units. To comply with these requirements, it is possible that the Company would request and disclose certain information about a Member and its beneficial owners.

REIT Ownership of Partnerships and Qualified REIT Subsidiaries. The Treasury Regulations provide that a REIT that is a partner in a partnership is deemed to own its proportionate share, generally based on its pro rata share of capital interest in the partnership, of the assets of the partnership and will be deemed to be entitled to the gross income of the partnership attributable to such share of capital. In addition, the character of the assets and gross income of the partnership retain the same character in the hands of a REIT for purposes of Code Section 856, including satisfying the gross income tests and the asset tests described below. Thus, a REIT's proportionate share of the assets and items of income of any partnership will be treated as such REIT's assets and items of income for purposes of applying the requirements described below.

Similarly, all "qualified REIT subsidiaries" owned by a REIT are disregarded for U.S. federal income tax purposes, and the assets, liabilities, and items of income, loss and deduction of each qualified REIT subsidiary are treated as assets, liabilities, and items of the parent REIT. A qualified REIT subsidiary therefore is not subject to federal corporate income taxation, although it may be subject to state or local taxation. A qualified REIT subsidiary is a wholly-owned corporate subsidiary of a REIT that is not taxable as a TRS.

Asset Tests. At the close of each quarter of a REIT's taxable year, the REIT generally must satisfy several tests relating to the nature of its assets. First, at least 75% of the value of such REIT's total assets must be represented by interests in real property, interests in mortgages on real property, shares in other REITs, certain debt obligations of other REITs, certain ancillary personal property, cash, cash items, government securities and certain temporary investments. Second, although the remaining 25% of such REIT assets generally may be invested without restriction, the value of any one issuer's securities owned by the REIT in this class (other than securities of a TRS), generally may not exceed either (1) 5% of the value of such REIT's total assets as to any one nongovernment issuer, (2) 10% of the outstanding voting securities of any one issuer, or (3) 10% of the value of the outstanding securities of any one issuer. Third, not more than 20% of the total value of such REIT's assets can be represented by securities of one or more TRSs (described below). Fourth, not more than 25% of the total value of such REIT's total assets can be represented by certain debt obligations of other REITs. Securities for purposes of the above 5% and 10% asset tests may include debt securities, including debt issued by a partnership. Debt of an issuer will not count as a security for purposes of the 10% value test, however, if the security qualifies for any of a number of exceptions applicable, for example, to "straight debt," as specially defined for this purpose, to certain debt issued by partnerships, and to certain other debt that is not considered to be abusive and that presents minimal opportunity to share in the business profits of the issuer. Solely for purposes of the 10% value test, a REIT's interest in the assets of a partnership will be based upon a REIT's proportionate interest in any securities issued by the partnership (including, for this purpose, its interest as a partner in the partnership and any debt securities issued by the partnership, but excluding any securities qualifying for the "straight debt" or other exceptions described above), valuing any debt instrument at its adjusted issue price.

The Company's failure to satisfy one or more of the asset tests would not necessarily result in a loss of REIT status if (1) the Company came into compliance within a specified period after identifying the failure, (2) in the case of certain asset test failures, the failure was due to reasonable cause and not to willful neglect and (3) the Company pays a penalty excise tax.

Gross Income Tests. For each taxable year, a REIT must satisfy two separate tests that measure the REIT's sources of income.

75% Test. At least 75% of a REIT's gross income for a taxable year must be "qualifying income." Qualifying income generally includes: (1) rents from real property; (2) interest on obligations collateralized by mortgages on, or interests in, real property; (3) gains from the sale or other disposition of interests in real property and real estate mortgages, other than dealer property; (4) dividends or other distributions on shares in other REITs, as well as gain from the sale of such shares; (5) abatements and refunds of real property taxes; (6) income from foreclosure property; (7) commitment fees received for agreeing to make loans collateralized by mortgages on real property or to purchase or lease real property; and (8) income from temporary investments in stock or debt instruments purchased with the proceeds of new capital raised by such REIT.

Certain limitations apply to the ability of interest and rental income to be treated as "qualifying income" in satisfying the 75% test (or the 95% test described below). Rents received by the REIT directly, through partnerships in which it has a direct or indirect ownership interest, or through its wholly-owned subsidiary corporations treated as "qualified REIT subsidiaries" will qualify as "rents from real property" in satisfying the gross income requirements described above only if several conditions, including the following, are met. If rent attributable to personal property leased in connection with a lease of real property is greater than 15% of the total rent received under the lease, then the portion of rent attributable to such personal property will not qualify as "rents from real property." Moreover, for rents received to qualify as "rents from real property," the REIT generally must not operate or manage the property or furnish or render services to the tenants of such property, other than through an "independent contractor" from which the REIT derives no revenue. However, the REIT (or its affiliates) is permitted to directly perform services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered rendered to the occupant of the property. In addition, rents will not qualify as "rents from real property" if they are based in whole or in part on the income or profits of any person (except by reason of being based on a percentage of the tenant's gross receipts or sales). Finally, rents (other than rents received from TRSs if certain requirements are met) derived from tenants that are at least 10% owned, directly or constructively, by the REIT do not qualify as "rents from real property" for purposes of the gross income requirements. A REIT may have limited or no ability to prevent the receipt of some amounts of non-qualifying income in light of the nature of the portfolio investments expected to be made by such REIT.

95% Test. In addition to deriving 75% of a REIT's gross income from the sources listed above, at least 95% of such REIT's gross income for a taxable year must be derived from the above-described qualifying income, or from dividends, interest, or gains from the sale or disposition of stock or other securities that are not dealer property. For purposes of determining whether such REIT complies with the 75% and 95% tests, gross income does not include income from "prohibited transactions" (generally, sales of dealer property). Income from certain hedging transactions also may be disregarded in certain situations.

Even if the Company failed to satisfy one or both of the gross income tests for any taxable year, it may still qualify as a REIT for such year if entitled to relief under certain provisions of the Code. These relief provisions will generally be available if the Company's failure to comply is due to reasonable cause and not to willful neglect, and the Company timely complies with requirements for reporting each item of its income to the IRS. However, it is impossible to predict whether the Company will be entitled to the

benefit of these relief provisions in the future. Even if these relief provisions applied, the Company would still be subject to a special tax in connection with the failure.

Taxable REIT Subsidiaries. A REIT and a C corporation in which such REIT owns stock may make a joint election for such subsidiary to be treated as a TRS. Other than some activities relating to lodging and health care facilities, a TRS may generally engage in any business, including the provision of customary or non-customary services to REIT tenants, without causing its parent REIT to receive impermissible tenant service income under the REIT gross income tests. However, a TRS is required to pay regular U.S. federal income tax, and state and local income tax where applicable, as a non-REIT C corporation. In addition, a TRS may be prevented from deducting interest on debt funded directly or indirectly by its parent REIT if certain tests regarding the TRS's debt to equity ratio and interest expense are not satisfied.

The securities of a TRS are not subject to the 5% asset test and the 10% vote and value tests previously discussed. Instead, as previously noted, a separate asset test applies to TRSs. The Company currently intends to hold interests in one or more TRSs.

Annual Distribution Requirements. To qualify as a REIT, the Company must distribute dividends (other than capital gain dividends) to its Members each year in an amount equal to at least (A) the sum of (i) 90% of its REIT taxable income (computed without regard to the dividends paid deduction and its net capital gain) and (ii) 90% of the net income (after tax), if any, from foreclosure property, minus (B) the sum of certain items of non-cash income over 5% of REIT taxable income. Such distributions must be paid in the taxable year to which they relate or, in limited circumstances, in the following taxable year. To the extent that the Company does not distribute all of its net capital gain or distribute at least 90%, but less than 100%, of its REIT taxable income, as adjusted, it will be subject to tax on the undistributed amount at regular corporate tax rates, as the case may be. Furthermore, if the Company fails to distribute during each calendar year at least the sum of (1) 85% of its ordinary income for such year, (2) 95% of its net capital gain income for such year and (3) any undistributed taxable income from prior periods, it is subject to a 4% excise tax on the excess of such required distribution over the sum of the amounts actually distributed and the amount of any net capital gains it elected to retain and pay tax on.

If the Company does not have sufficient cash or other liquid assets to meet its annual REIT distribution requirement, it may issue a qualifying stock dividend or arrange for borrowings (on terms that may not be favorable to the Company) in order to maintain its REIT status. Alternatively, the Company may make "consent dividends" to the extent of any shortfall in available cash. A consent dividend is an amount that the owners of a REIT agree to treat as having been distributed by the REIT and then contributed by the distributees to the capital of the REIT. In such event, the Company's Members would be treated as receiving additional taxable income but would not receive a concurrent corresponding cash distribution. U.S. Members' (as defined below) tax basis in their Units would be increased by the amount of their consent dividends, and the amount of taxable gain realized upon a sale of Units or the termination of the Company would therefore be reduced. Under certain circumstances, the Company may rectify a failure to meet the REIT distribution requirement for a year by paying "deficiency dividends" to its Members in a later year, which may be included in the Company's deduction for dividends paid for the earlier year. Thus, the Company may avoid being taxed on amounts distributed as deficiency dividends. The Company would, however, be required to pay interest based on the amount of any deduction taken for such deficiency dividends.

As long as the Company qualifies as a REIT, its distributions (including deemed distributions resulting from consent dividends) made to Members out of current or accumulated earnings and profits will generally be treated as ordinary income except (i) dividends designated as "capital gain dividends," which are treated as long-term capital gain (to the extent that they do not exceed the Company's actual net capital

gain for the taxable year) without regard to the period for which any Member has held Units, and (ii) dividends designated as “qualified dividend income,” which are taxed at the same rate as long-term capital gain (to the extent they do not exceed the Company’s actual qualified dividend income and REIT taxable income for the taxable year).

Prohibited Transactions. A REIT is subject to a 100% tax on its net income from prohibited transactions. The term “prohibited transaction” generally includes a sale or other disposition of property (other than foreclosure property) that is held primarily for sale to customers in the ordinary course of a trade or business by the REIT or by a borrower that has issued a shared appreciation mortgage or similar debt instrument to the REIT. Whether property is held “primarily for sale to customers in the ordinary course of a trade or business” depends on the particular facts and circumstances. In general, a prohibited transaction does not include the sale or other disposition of property held by the REIT for no less than 2 years, provided that the REIT satisfies other requirements with respect to such property. Nonetheless, no assurance can be given that any property that the Company sells will not be treated as property held for sale to customers, or that the Company can comply with certain safe-harbor provisions of the Code that would prevent such treatment. The 100% tax does not apply to gains from the sale of property that is held through a TRS or other taxable corporation, although such income will be subject to tax in the hands of the corporation at regular corporate rates.

Operational Requirements — Recordkeeping

In order to continue to qualify as a REIT, the Company must maintain records as specified in applicable Treasury Regulations. Further, the Company must request, on an annual basis, information designed to disclose the ownership of the Company’s outstanding Units. The Company intends to comply with such requirements.

Failure to Continue to Qualify as a REIT

If the Company fails to qualify as a REIT for any reason in a taxable year and applicable relief provisions do not apply, the Company will be subject to tax, including any applicable alternative minimum tax, on the Company’s taxable income at regular corporate rates. The Company will not be able to deduct distributions paid to the Members in any year in which the Company fails to qualify as a REIT. The Company also will be disqualified for the four taxable years following the year during which qualification was lost unless the Company is entitled to relief under specific statutory provisions. See the “Risk Factors — REIT-Related Risks” section of this prospectus.

Taxation of U.S. Members

The term “**U.S. Member**” means a beneficial owner of Units that is, for U.S. federal income tax purposes:

- a citizen or resident, as defined in Code Section 7701(b), of the United States;
- a corporation, partnership, limited liability company or other entity treated as a corporation or partnership for U.S. federal income tax purposes that was created or organized in or under the laws of the United States or of any State thereof or in the District of Columbia unless, in the case of a partnership or limited liability company, Regulations provide otherwise;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust.

If a Member is not a “U.S. Member,” such Member is a “Non-U.S. Member.” If a partnership holds Units, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Each partnership holding Units, as well as each partner therein, should consult independent tax advisors regarding the potential tax consequences of the ownership and disposition of Units.

Taxation of Distributions. As long as the Company qualifies as a REIT, distributions made by the Company to taxable U.S. Members out of the Company’s current or accumulated earnings and profits that are not designated as capital gain dividends or “qualified dividend income” will be taken into account by them as ordinary income taxable at ordinary income tax rates and will not qualify for the reduced capital gains rates that currently generally apply to distributions by non-REIT C corporations to certain non-corporate U.S. Members. Corporate Members will not be eligible for the dividends received deduction with respect to these distributions. U.S. Members that are individuals, trusts, and estates generally may deduct 20% of “qualified REIT dividends” (*i.e.*, REIT dividends other than capital gain dividends and portions of REIT dividends designated as qualified dividend income eligible for capital gain tax rates) through December 31, 2025. In addition, Treasury Regulations impose a minimum holding period for the 20% deduction that was not set forth in the Code. Under the Treasury Regulations, in order for a REIT dividend with respect to a share of REIT stock to be treated as a qualified REIT dividend, the U.S. Member (i) must have held the share for more than 45 days during the 91-day period beginning on the date which is 45 days before the date on which such share becomes ex-dividend with respect to such dividend and (ii) cannot have been under an obligation to make related payments with respect to positions in substantially similar or related property (*e.g.*, pursuant to a short sale). The overall deduction is limited to 20% of the sum of the taxpayer’s taxable income (less net capital gain) and certain cooperative dividends, subject to further limitations based on taxable income. The deduction, if allowed in full, equates to a maximum effective U.S. federal income tax rate on ordinary REIT dividends of 29.6%. Without further legislation, this deduction would sunset after 2025.

Distributions in excess of both current and accumulated earnings and profits will not be taxable to a U.S. Member to the extent that the distributions do not exceed the adjusted basis of the holder’s Unit. Rather, such distributions will reduce the adjusted basis of the Unit. To the extent that distributions exceed the adjusted basis of a U.S. Member’s Unit, the U.S. Member generally must include such distributions in income as long-term capital gain if the Units have been held for more than one year, or short-term capital gain if the Units have been held for one year or less.

Distributions will generally be taxable, if at all, in the year of the distribution. However, if the Company declares a dividend in October, November, or December of any year with a record date in one of these months and pay the dividend on or before January 31 of the following year, the Company will be treated as having paid the dividend, and the Member will be treated as having received the dividend, on December 31 of the year in which the dividend was declared.

The Company will be treated as having sufficient earnings and profits to treat as a dividend any distribution the Company pays up to the amount required to be distributed in order to avoid imposition of the 4% excise tax discussed above. Moreover, any “deficiency dividend” will be treated as an ordinary or capital gain dividend, as the case may be, regardless of the Company’s earnings and profits. As a result, U.S. Members may be required to treat certain distributions that would otherwise result in a tax-free return of capital as taxable dividends.

Capital Gain Dividends. The Company may elect to designate distributions of its net capital gain as “capital gain dividends” to the extent that such distributions do not exceed the Company’s actual net capital gain for the taxable year. Capital gain dividends are taxed to U.S. Members as gain from the sale

or exchange of a capital asset held for more than one year. This tax treatment applies regardless of the period during which the Members have held their Units. If the Company designates any portion of a dividend as a capital gain dividend, the amount that will be taxable to the Members as capital gain will be indicated to U.S. Members on Form 1099-DIV, Dividends and Distributions. Corporate Members, however, may be required to treat up to 20% of capital gain dividends as ordinary income. Capital gain dividends are not eligible for the dividends received deduction for corporations.

Taxation of Sale. Upon any taxable sale or other disposition of Units, a U.S. Member will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount of cash and the fair market value of any property received on such disposition and the U.S. Member's adjusted basis in such Unit for tax purposes. Gain or loss will be capital gain or loss if the unit has been held by the U.S. Member as a capital asset.

Repurchase. A repurchase by the Company of Units for cash will be treated as a distribution that is taxable as a dividend to the extent of the Company's current or accumulated earnings and profits at the time of the repurchase under Code Section 302 of unless the repurchase:

- is "not essentially equivalent to a dividend" with respect to the U.S. Member under Code Section 302(b)(1) (*i.e.*, if it results in a "meaningful reduction" in the U.S. Member's interest in the Company); or
- is "substantially disproportionate" with respect to the U.S. Member under Code Section 302(b)(2) (*i.e.*, if the percentage of the voting Units of the corporation owned by a U.S. Member immediately after the repurchase is less than 80% of the percentage of that owned by such U.S. Member immediately before the repurchase (taking into account Code Section 318 constructive ownership rules)); and
- results in a "complete termination" of the U.S. Member's interest in the Company under Code Section 302(b)(3).

If the repurchase is not treated as a dividend, the repurchase of Units for cash will result in taxable gain or loss equal to the difference between the amount of cash received and the Member's tax basis in the Units of the Company's Units repurchased. Such gain or loss would be capital gain or loss if the Units were held as a capital asset and would be long-term capital gain or loss if the holding period for the Units of the Company exceeds one year.

U.S. Federal Income Tax Rates; Capital Gains and Losses. As of the date of this Memorandum, the maximum corporate U.S. federal income tax rate applicable to ordinary income and net capital gain is 21%, and for individuals, the maximum U.S. federal income tax rates is 37% for ordinary income and short-term capital gain, and 20% for net long-term capital gain and "qualified dividend income." In addition, certain U.S. Members are subject to an additional 3.8% Medicare tax on unearned income. For individual U.S. Members, the additional Medicare tax applies to the lesser of (x) "net investment income" (*i.e.*, gross investment income reduced by the deductions that are allocable to such income), or (y) the excess of "modified adjusted gross income" over \$200,000 (\$250,000 if married and filing jointly). Investment income generally includes passive income such as interest, dividends, annuities, royalties, rents, and capital gains. The amount of tax payable by any Member will be affected by a combination of tax laws covering, for example, deductions, credits, deferrals, exemptions, sources of income and other matters.

Cost Basis Reporting

The Code requires every broker that is required to file an information return reporting the gross proceeds of a "covered security" with the IRS to include in the information return the U.S. Member's

adjusted basis in the security, and whether any gain or loss with respect to the security is short-term or long-term within the meaning of Code Sec. 1222. Under Code Sec. 6045(g)(3), a “covered security” includes any share of Units in a corporation that was acquired in an account on or after January 1, 2011. The Company has determined that Class A Common Units, including Units issued pursuant to the Company’s distribution reinvestment plan, are covered securities under the Act. Thus, Members who redeem, sell or otherwise liquidate Units will receive an information return reporting the gross proceeds from the sale, the adjusted basis of the Units sold, and whether any gain or loss is short-term or long-term within the meaning of Code Sec. 1222. The Company is required to furnish this statement to Members by February 15 of the year following the calendar year in which the covered securities were sold. This information also will be reported to the IRS.

When determining the adjusted basis of the Units sold, Code Sec. 6045(g)(2)(B) requires the Company to use the first-in first-out method. When using the first-in first-out method, the Company is required to identify the Units sold in the order that they were acquired. However, as an alternative to the first-in first-out method, the Member may notify the Company of a preferred alternative by means of making an adequate identification of the Units to be liquidated prior to the liquidation event. Please see the section entitled “Description of the LLC Agreement — Description of Unit Repurchase Plan” for additional information about the Company’s share repurchase program.

Information Reporting Requirements and Backup Withholding for U.S. Members

Under some circumstances, U.S. Members may be subject to backup withholding at a rate of 24% on payments made with respect to, or cash proceeds of a sale or exchange of, the Company’s Units. Backup withholding will apply only if the Member:

- fails to furnish his, her or its taxpayer identification number or, for an individual, his or her Social Security Number;
- furnishes an incorrect tax identification number;
- is notified by the IRS that he, she or it has failed to properly report payments of interest and distributions or is otherwise subject to backup withholding; or
- under some circumstances, fails to certify, under penalties of perjury, that he, she or it has furnished a correct tax identification number and that (a) he, she or it has not been notified by the IRS that he, she or it is subject to backup withholding for failure to report interest and distribution payments or (b) he, she or it has been notified by the IRS that he, she or it is no longer subject to backup withholding.

Backup withholding will not apply with respect to payments made to some Members, such as corporations and tax-exempt organizations. Backup withholding is not an additional tax. Rather, the amount of any backup withholding with respect to a payment to a U.S. Member will be allowed as a credit against the U.S. Member’s federal income tax liability and may entitle the U.S. Member to a refund, provided that the required information is furnished to the IRS. U.S. Members should consult their own tax advisors regarding their qualifications for exemption from backup withholding and the procedure for obtaining an exemption.

Treatment of Tax-Exempt Members

Tax-exempt entities such as employee pension benefit trusts, IRAs and charitable remainder trusts generally are exempt from federal income taxation. Such entities are subject to taxation, however, on

any unrelated business taxable income (“UBTI”). The Company’s payment of distributions to a tax-exempt employee pension benefit trust or other domestic tax-exempt Member generally will not constitute UBTI to such Member unless the Member has borrowed to acquire or carry its Units or has used the Units in a trade or business.

In the event that the Company was deemed to be “predominately held” by qualified employee pension benefit trusts, such trusts would be required to treat a certain percentage of the distributions paid to them as UBTI. The Company would be deemed to be “predominately held” by such trusts if either (1) one employee pension benefit trust owns more than 25% in value of the Company’s Units, or (2) any group of employee pension benefit trusts, each owning more than 10% in value of the Company’s Units, holds in the aggregate more than 50% in value of the Company’s Units. If either of these ownership thresholds were ever exceeded, any qualified employee pension benefit trust holding more than 10% in value of the Company’s Units would be subject to tax on that portion of the Company’s distributions made to it that is equal to the percentage of the Company’s income that would be UBTI if the Company was a qualified trust, rather than a REIT. The Company will monitor the concentration of ownership of employee pension benefit trusts in the Company’s Units, and the Company does not expect Units to be deemed to be “predominately held” by qualified employee pension benefit trusts, as defined in the Code, to the extent required to trigger the treatment of the Company’s income as to such trusts.

For social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts and qualified group legal services plans exempt from federal income taxation under Sections 501(c)(7), (c)(9), (c)(17) and (c)(20) of the Code, respectively, income from an investment in the Company’s Units will constitute UBTI unless the Member in question is able to deduct amounts “set aside” or placed in reserve for certain purposes so as to offset the UBTI generated. Any such organization that is a prospective Member should consult its own tax advisor concerning these “set aside” and reserve requirements.

Special Tax Considerations for Non-U.S. Members

The rules governing U.S. income taxation of Non-U.S. Members are complex, and the following discussion is intended only as a summary. Non-U.S. Members should consult with their own tax advisors to determine the impact of federal, state and local income tax laws on an investment in the Company’s Units, including any reporting requirements.

Income Effectively Connected with a U.S. Trade or Business. In general, Non-U.S. Members will be subject to regular federal income taxation with respect to their investment in the Company if the income derived therefrom is “effectively connected” with the Non-U.S. Member’s conduct of a trade or business in the United States. The determination of whether an investment in the Company’s Units is effectively connected with another U.S. trade or business will depend entirely on the potential investor’s business activities within the U.S., and the Company recommends consultation with a qualified international tax advisor on the issue. A Non-U.S. Member treated as a corporation for federal income tax purposes that receives income that is (or is treated as) effectively connected with a U.S. trade or business also may be subject to a branch profits tax under Code Section 884, which is payable in addition to the regular U.S. federal corporate income tax. The following discussion will apply to Non-U.S. Members whose income derived from ownership of the Company’s Units is deemed to be not “effectively connected” with a U.S. trade or business.

Distributions Not Attributable to Gain from the Sale or Exchange of a United States Real Property Interest. A distribution to a Non-U.S. Member that is not attributable to gain realized by the Company from the sale or exchange of a U.S. real property interest (“USRPI”) within the meaning of the Foreign Investment in Real Property Tax Act of 1980 (“FIRPTA”) rules, and that the Company does not designate as a capital

gain distribution, will be treated as an ordinary income distribution to the extent that it is made out of current or accumulated earnings and profits. Generally, any ordinary income distribution will be subject to a federal income withholding tax equal to 30% of the gross amount of the distribution unless this tax is reduced by the provisions of an applicable tax treaty. Any such distribution in excess of the Company's earnings and profits will be treated first as a return of capital that will reduce each Non-U.S. Member's basis in its Units (but not below zero) and then as gain from the disposition of those Units, the tax treatment of which is described under the rules discussed below with respect to dispositions of Units.

Distributions Attributable to Gain from the Sale or Exchange of a United States Real Property Interest. Distributions to a Non-U.S. Member that are attributable to gain from the sale or exchange of a USRPI will be taxed to a Non-U.S. Member under Code provisions enacted by FIRPTA. Under FIRPTA, such distributions are taxed to a Non-U.S. Member (other than qualified foreign pension funds, entities wholly owned by a qualified foreign pension fund, and certain foreign publicly traded entities) as if the distributions were gains "effectively connected" with a U.S. trade or business. Accordingly, a Non-U.S. Member (other than qualified foreign pension funds, entities wholly owned by a qualified foreign pension fund, and certain foreign publicly traded entities) will be taxed at the normal capital gain rates applicable to a U.S. Member (subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of non-resident alien individuals). Distributions subject to FIRPTA also may be subject to a 30% branch profits tax when made to a corporate Non-U.S. Member that is not entitled to a treaty exemption. Capital gain distributions generally will be treated as subject to FIRPTA.

Withholding Obligations With Respect to Distributions to Non-U.S. Members. Although tax treaties may reduce the Company's withholding obligations, the Company will generally be required to withhold from distributions to Non-U.S. members and remit to the IRS:

- 21% of designated capital gain distributions or, if greater, 21% of the amount of any distributions that could be designated as capital gain distributions; and
- 30% of ordinary income distributions (*i.e.*, distributions paid out of the Company's earnings and profits).

In addition, if the Company designates prior distributions as capital gain distributions, subsequent distributions, up to the amount of the prior distributions, will be treated as capital gain distributions for purposes of withholding. A distribution in excess of the Company's earnings and profits will be subject to 30% withholding if at the time of the distribution it cannot be determined whether the distribution will be in an amount in excess of the Company's current or accumulated earnings and profits. If the amount of tax the Company withholds with respect to a distribution to a Non-U.S. Member exceeds the Non-U.S. Member's U.S. tax liability with respect to that distribution, the Non-U.S. Member may file a claim with the IRS for a refund of the excess.

Sale of The Company's Units by a Non-U.S. Member. A sale of Units by a Non-U.S. Member generally will not be subject to U.S. federal income taxation unless (1) the gain or loss from such sale is effectively connected with the conduct of another U.S. trade or business or (2) the Units constitute a USRPI under FIRPTA. With respect to determining whether gain or loss on the sale of the Company's Units is effectively connected with another U.S. trade or business, this determination will depend entirely on each potential non-U.S. investor's business activities within the U.S. The Company recommends consultation with a qualified international tax advisor on this issue. With respect to potential taxation under FIRPTA of the sale of a USRPI, in general the Company's Units will not constitute a USRPI provided the Company is a "domestically controlled" REIT.

A “domestically controlled” REIT is a REIT that at all times during a specified testing period has less than 50% in value of its Units held directly or indirectly by Non-U.S. Members. The Company expects it will be a “domestically controlled” REIT, where gain from the sale of units would not be subject to federal income taxation under FIRPTA. However, the Company does expect to sell Units to Non-U.S. Members and cannot assure any Member that the Company will continue to be a “domestically controlled” REIT. If the Company is not a “domestically controlled” REIT, it is possible that the Company’s Units would constitute a USRPI, and as a result, any gain from the sale of Units by a Non-U.S. Member would be subject to U.S. federal income tax under FIRPTA unless the Non-U.S. Member is a qualified foreign pension fund (or an entity wholly owned by a qualified foreign pension fund) or the Units were traded on an established securities market and the Non-U.S. Member did not at any time during a specified testing period directly or indirectly count more than 10% of the value of the Company’s outstanding Units.

If a sale of Units were subject to taxation under FIRPTA, a Non-U.S. Member would be subject to the same federal income tax treatment as a U.S. Member with respect to the gain recognized (subject to any applicable alternative minimum tax in the case of non-resident alien individuals). In addition, distributions that are subject to tax under FIRPTA also may be subject to a 30% branch profits tax when made to a Non-U.S. Member treated as a corporation (under federal income tax principles) that is not otherwise entitled to a treaty exemption.

With respect to individual Non-U.S. Members, even if not subject to FIRPTA, capital gains recognized from the sale of the Company’s Units will be taxable to such Non-U.S. Member if he or she is a non-resident alien individual who is present in the United States for 183 days or more during the taxable year and some other conditions apply, in which case the non-resident alien individual may be subject to a U.S. federal income tax on his, her or its U.S. source capital gains.

Information Reporting Requirements and Backup Withholding for Non-U.S. Members.

Additional issues may arise for information reporting and backup withholding for non-U.S. Members. Non-U.S. Members should consult their tax advisors with regard to U.S. information reporting and backup withholding requirements under the Code.

FATCA Withholding and Compliance

The Foreign Account Tax Compliance Act (“**FATCA**”) provides that a 30% withholding tax will be imposed on payments of U.S.-source dividends and interest (and certain other items of U.S.-source income) to certain foreign financial entities, unless the foreign entity has registered with the IRS and agreed to provide specified U.S. tax information concerning “specified U.S. persons” that own interests in the foreign entity. The Company is a withholding agent with respect to any such withholding taxes that may be imposed on any Members. All Members will be required to furnish appropriate documentation certifying as to their U.S. or non-U.S. tax status, together with such other additional information as the Company may from time-to-time request. Members that are “non-financial foreign entities” (as defined in Code Section 1472) are required to certify if they have any “substantial United States owners” and if so, to disclose the identity and tax identification numbers of such persons to the Company. Failure to provide such information may subject a Member to withholding taxes or mandatory redemption of its entire interest in the Company. Members are encouraged to consult with their own tax advisors regarding the possible impact of FATCA on their investment in the Company.

Statement of Unit Ownership

The Company is required to demand annual written statements from the record holders of designated percentages of the Company’s Units disclosing the actual owners of the Units. Any record

Member who, upon request, does not provide the Company with required information concerning actual ownership of the Units is required to include specified information relating to his, her or its Units in his, her or its federal income tax return. The Company also must maintain, within the Internal Revenue District in which the Company is required to file, the Company's federal income tax return, permanent records showing the information the Company has received about the actual ownership of Units and a list of those persons failing or refusing to comply with the Company's demand.

State and Local Taxation

The Company and any operating subsidiaries that it may form may be subject to state and local tax in states and localities in which they or the Company does business or own property. The tax treatment of the Company, any operating subsidiaries and the holders of Company Units in local jurisdictions may differ from the federal income tax treatment described above. Prospective Members should consult their own tax advisors regarding the effect of state and local tax laws and their investment in the Company's Units.

THE SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX ASPECTS IS NOT INTENDED TO BE A COMPLETE SUMMARY OF THE TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY. EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH ITS OWN INDEPENDENT TAX ADVISORS REGARDING A POTENTIAL INVESTMENT IN THE COMPANY.

INDIVIDUAL RETIREMENT ACCOUNTS AND BENEFIT PLAN INVESTORS

Prospective investors that are benefit plan investors subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA" and such plans, "ERISA Plans") or plans subject to Section 4975 of the Code should read this section in its entirety for a discussion of certain risks related to an investment by benefit plans investors in the Company. Other prospective investors should read this section for a discussion of risks that could affect the Company's operations related to ERISA and ERISA compliance.

Benefit Plan Considerations

This summary is intended for the benefit of a prospective investor who is or is acting on behalf of: (i) ERISA Plan; (ii) an individual retirement account ("IRA"); or (iii) an entity whose underlying assets are treated under ERISA and the Code as the assets of such an ERISA Plan or IRA by reason of an equity investment in such entity by an ERISA Plan or IRA. Each such prospective investors shall be referred to as a "Benefit Plan Member". The following is a summary of some of the material considerations that may apply to a Benefit Plan Member. This summary is based on the provisions of ERISA and the Code, each as amended, through the date of this Memorandum, and the relevant regulations and other authority issued thereunder and opinions issued by the United States Department of Labor and Internal Revenue Service. There can be no assurance that future legislative or administrative changes or court decisions will not significantly modify the requirements described in this summary. Any changes may be retroactive and thereby apply to transactions entered prior to the date of their enactment or release. This summary does not include all of the fiduciary responsibility requirements relevant to Benefit Plan Members.

In addition, this summary does not include a discussion of any laws, regulations or statutes that may apply to prospective investors who are not ERISA Plans or IRAs, such as state or foreign laws which may apply to governmental or foreign plans that may impose fiduciary responsibility in connection with the investment of such plans.

Due to the complexity of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code and the related exemptions and penalties imposed on persons involved in prohibited transaction and breaches of fiduciary duties, Benefit Plan Members should consult with their own counsel regarding the consequences under ERISA and the Code of purchasing Units and becoming a Member.

General Matters

Title I of ERISA imposes requirements on certain ERISA Plans and on persons who are fiduciaries with respect to ERISA Plans. Generally, ERISA applies to investments made by ERISA Plans. Among other things, ERISA requires that the assets of ERISA Plans be held in trust and that the trustee, or other duly authorized fiduciary, have exclusive authority and discretion to manage and control the assets of such ERISA Plans. ERISA also imposes certain duties on persons who are fiduciaries of ERISA Plans. Under ERISA, any person who exercises any authority or control respecting the management or disposition of the assets of an ERISA Plan, or who renders investment advice to an ERISA Plan for a direct or indirect fee with respect to the investment of plan assets, is generally considered to be a fiduciary of such ERISA Plan.

In addition, ERISA Plans and IRAs are prohibited from engaging in a broad range of transactions with persons having certain specified relationships to such ERISA Plans or IRAs (called “parties in interest” in ERISA and “disqualified persons” in the Code). Such transactions are referred to as “prohibited transactions” under Section 406 of ERISA and Section 4975 of the Code, and excise taxes in connection with any non-exempt prohibited transactions may be imposed upon such persons by Section 4975 of the Code. The Company itself might be considered a “party in interest” or “disqualified person” with respect to a Benefit Plan Member. If so, even, the acquisition or holding or transfer of Units by or on behalf of such a Benefit Plan Member could be considered to give rise to a non-exempt “prohibited transaction” within the meaning of ERISA and/or the Code unless an exemption is available.

Before authorizing an investment in the Company, the responsible fiduciary of the investing ERISA Plan should consider, among other things: (1) the fiduciary standards of ERISA, (2) whether investment in the Company satisfies the prudence and diversification requirements of ERISA for such ERISA Plan (including, without limitation, whether the investment is prudent in light of the limitations on the marketability, transferability and liquidity of the Units), (3) whether such fiduciary has the authority to make the investment under relevant ERISA Plan investment policies and governing ERISA Plan documents and instruments, as well as under Title I of ERISA, (4) the liquidity and current return of the total portfolio relative to the anticipated cash flow and liquidity needs of the ERISA Plan, (5) whether the investment in the Company will result in any UBTI to the ERISA Plan, and (6) how the prohibited transaction rules of ERISA and the Code could affect the ERISA Plan and its fiduciaries.

IRA owners or other fiduciaries of IRAs should consider, among other things: (1) whether the investment is permitted by the Code’s rules regarding IRA investment, (2) whether the investment in the Company will result in any UBTI to the IRA, and (3) how the Code’s prohibited transaction rules could affect the IRA and its fiduciaries.

Fiduciaries of ERISA Plans and IRAs should also give consideration to how the Plan Asset Rule (defined below) may impact their investment in the Company, including the risk that the prohibited transaction rules of ERISA and/or the Code may apply to the transactions of the Company.

Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA) and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to Title I of ERISA or Section 4975 of the Code. Accordingly, assets of such plans may be invested in Units without regard to the ERISA considerations described above and below, subject to the provisions of applicable state or other law.

Plan Asset Rule

The Department of Labor (“**DOL**”) has issued regulations (29 C.F.R. Section 2510.3-101) regarding what constitutes “plan assets” for purposes of Title I of ERISA and Section 4975 of the Code as applied to entities in which an ERISA Plan or IRA invests (the “**Plan Asset Regulations**”), and Section 3(42) of ERISA contains a related definition of “plan assets” that generally endorses the Plan Asset Regulations (collectively, the Plan Asset Regulations and Section 3(42) of ERISA shall be referred to as the “**Plan Asset Rule**”). The Plan Asset Rule provides that when an ERISA Plan or IRA acquires an equity interest in an entity (other than a publicly offered security or registered investment company security), the interests of the ERISA Plan or IRA include its investment and an undivided interest in the underlying assets (as opposed to Units alone, for example) of the entity unless an exception is available. The Plan Asset Rule contains two exceptions to this look-through treatment: (i) if the entity is an “operating company” and (ii) if the equity participation by “benefit plan investors” in the entity is not “significant”. The Manager believes that the Company will satisfy one or more of the exceptions.

The Plan Asset Regulations provide that an “operating company” is an entity that is primarily engaged directly or through a majority-owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital. The Company may qualify as an operating company under the Plan Asset Regulations.

In addition, the Plan Asset Regulations provide that the term “operating company” includes an entity which is a “real estate operating company” or a “venture capital operating company” as these terms are defined in the Plan Asset Regulations.

An entity is a “real estate operating company”, or a “**REOC**”, if (i) on its “initial valuation date” and on at least one day within each “annual valuation period” at least 50% of its assets valued at cost (other than short-term investments pending long-term commitment or distribution to investors) is invested in real estate which is managed or developed and with respect to which such entity has the right to substantially participate directly in management or development activities and (ii) such entity in the ordinary course of its business is engaged directly in real estate management and development activities. There are examples in the Plan Asset Regulations which make clear that these management and development activities of an entity may be carried out by third parties under certain circumstances.

The Plan Asset Regulations also define the terms “initial valuation date” and “annual valuation period”. An “initial valuation date” is the date on which an entity first makes an investment that is not a short-term investment of funds pending long-term commitment. An entity’s “annual valuation period” is a pre-established period, not exceeding 90 days in duration, which begins no later than the anniversary of an entity’s initial valuation date.

An entity is a “venture capital operating company”, or a “**VCOC**”, if (i) on its “initial valuation date” and on at least one day within each “annual valuation period” at least 50% of its assets valued at cost (other than short-term investments pending long-term commitment or distribution to investors) are invested in “venture capital investments”; and (ii) such entity, in the ordinary course of its business, actually exercises certain “management rights” with respect to one or more of the operating companies in which it invests. A “venture capital investment” is an investment in an “operating company” (other than another VCOC) as to which the investor has or obtains “management rights”. “Management rights” is defined to mean “contractual rights directly between the investor and an operating company to substantially participate in, or substantially influence the conduct of, the management of the operating company.”

Alternatively, the assets of an entity will not be treated as “plan assets” under the Plan Asset Rule if the equity participation by benefit plan investors is not significant. Equity participation by benefit plan investors is not significant and, accordingly, the assets of an entity will not be treated as “plan assets” under the Plan Asset Rule if, immediately after the most recent acquisition of any equity interest in the entity, less than 25% of the total value of each class of equity interests in the entity is held by benefit plan investors, excluding interests held by persons (other than benefit plan investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof. For purposes of the Plan Asset Rule, the term “benefit plan investor” includes (i) any ERISA Plan, (ii) any IRA and (iii) any entity whose underlying assets include “plan assets” by reason of the investment by an ERISA Plan or IRA in such entity (e.g., an entity of which 25% or more of the value of any class of equity interests is held by benefit plan investors and which does not satisfy any other exception under the Plan Asset Rule). An entity will be considered a benefit plan investor only to the extent of the percentage of its equity interests that are held by benefit plan investors.

The Company will not be registered as an investment company under the Investment Company Act and Units in the Company will not be publicly offered securities. The Company may qualify as an operating company. On the other hand, the Company may not qualify as an operating company and equity participation in the Company by “benefit plan investors” may be “significant”. Therefore, the assets of the Company may constitute “plan assets” under the Plan Asset Rule unless another exemption is available.

The Company currently intends to use reasonable efforts to ensure that the underlying assets of the Company will not constitute “plan assets” under the Plan Asset Rule by limiting equity investment by Benefit Plan Members in the Company to less than 25% of the total value of any class of Units.

Limiting equity investment by Benefit Plan Members in the Company to less than 25% of the total value of equity interests could require the Company to redeem Units held by Benefit Plan Members. To that end, the Company reserves the right to decline any investment or capital contribution or to reduce or restrict any capital contribution by a Benefit Plan member.

Nevertheless, the Company reserves the right to allow benefit plan investors to exceed the 25% limitation described above if the Company determines that it qualifies for an alternative exemption under the Plan Asset Regulations.

If the Company fails to satisfy any exception to look-through treatment under the Plan Asset Rule, then the Company will be deemed to hold “plan assets”, and the Manager or any other entity would either be an ERISA fiduciary and a party in interest with respect to ERISA Plans invested in the Company or a fiduciary and a disqualified person for purposes of Section 4975 of the Code with respect to IRAs invested in the Company to the extent that the Manager or such other entity has any authority or discretion with respect to the management and control of the assets of the Company or provides investment advice for a fee. Management and control of “plan assets” resides with the ERISA Plan’s trustee unless the ERISA Plan specifies a named fiduciary or the authority to manage, acquire or dispose of the assets is delegated to an investment manager, within the meaning of Section 3(38) of ERISA, that must be a registered investment adviser under the Investment Advisers Act of 1940, as amended (the “**Investment Advisers Act**”) or state law. The Manager is not currently registered under the Investment Advisers Act or state law and does not currently intend to register in the future. Consequently, if the Company is deemed to hold plan assets, or if the Manager is a party in interest or disqualified person with respect to a benefit plan investor, payment of compensation and fees by benefit plan investors to the Manager, must satisfy the administrative or statutory prohibited transaction exemptions under ERISA and Code, such as the statutory prohibited transaction exemption that permits reasonable compensation to be paid for necessary services. See 29 C.F.R. Section 2550.408b-2. The Manager’s compensation may or may not satisfy these requirements and may present other conflicting interests.

If the assets of a Company are considered “plan assets”, each transaction that the Company enters into will be treated as a transaction of the benefit plan investors invested in the Company, which, in turn, creates a risk that many transactions that the Company enters into in the ordinary course of its business could constitute a non-exempt prohibited transaction under ERISA and the Code. To the extent that the underlying assets of the Company constitute “plan assets” and to the extent required, the Manager intends to try to operate the Company in compliance with any exemptions to the prohibited transaction rules of ERISA and/or the Code that may be available to it, including Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code. However, available exemptions may be limited or even unavailable at times for transactions of the Company.

Regardless of whether the assets of the Company would be considered “plan assets,” the acquisition, holding or redemption of Units on behalf of an ERISA Plan or IRA could still be considered to give rise to a prohibited transaction if the Company, Manager, or any of their respective affiliates is or becomes a party in interest or disqualified person with respect to a benefit plan investor, or if a subsequent transfer of Units is made between a benefit plan investor and a party in interest or disqualified person, unless an exemption applies. In that case, one or more exemptions from the prohibited transaction rules could be applicable to the acquisition and holding of Units.

Because of the complexity of the prohibited transaction rules and the relevant exemptions, as well as the penalties imposed on prohibited transactions, before purchasing Units in reliance on an exemption, a fiduciary of a Benefit Plan Member should confirm that all applicable requirements would be satisfied. Any Benefit Plan Member fiduciary considering an investment in the Units should consult with its counsel with respect to the potential applicability of ERISA and the Code to such investment. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and/or the Code.

Deemed Representations by Plans and Plan Fiduciaries

A fiduciary of a Benefit Plan Member that proposes to cause such entity to purchase Units should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to independently confirm that such investment will not constitute or result in a non-exempt prohibited transaction or any other violation of ERISA. The sale of Units to an ERISA Plan or IRA is in no respect a representation by the Company, the Manager or any other person associated with the offering of Units of the Company that such an investment meets all relevant legal requirements with respect to investments by the ERISA Plan or IRA, or that such an investment is appropriate for the ERISA Plan or IRA.

ERISA Plans and fiduciaries of ERISA Plans that invest in the Company will, by investing, be deemed to have represented that they have been informed of and understand the Company’s investment objective, policies and strategy, and that such investment is (i) permitted under the ERISA Plan’s governing instruments, (ii) appropriate for the ERISA Plan in view of its overall investment policy and the composition and diversification of the ERISA Plan’s portfolio, (iii) consistent with the applicable requirements of ERISA and the Code, and (iv) to the extent necessary, eligible for exemption from the applicable prohibited transaction restrictions of ERISA and the Code.

The fiduciaries for IRAs investing in the Company will likewise, by investing, be deemed to have represented that they have been informed of and understand the Company’s investment objective, policies and strategy, and that such investment is (i) permitted under the IRA’s governing instruments, (ii) consistent with the applicable requirements of the Code, and (iii) to the extent necessary, eligible for exemption from the applicable prohibited transaction restrictions of ERISA and the Code.

Neither the Company nor the Manager (or any of their affiliates) is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the offering or purchase of any investment in the Company, and no information provided by the foregoing in connection with such offering or purchase shall be viewed or relied upon as advice or a recommendation to invest in the Company. The Manager, and certain of its affiliates has financial interests associated with the purchase of interests in the Company, including the fees and other allocations and distributions they may receive from the Company as a result of the purchase of interests by an ERISA Plan or IRA.

Further, each Benefit Plan Member will, by investing in the Units, be deemed to represent in its corporate and fiduciary capacity that the responsible plan fiduciary for the Benefit Plan Member has independently made the decision to invest in the Units, and in making its investment decision to invest in the Units the responsible plan fiduciary understands and acknowledges that neither the Company or Manager nor any of their respective affiliates have provided any undertaking to provide impartial investment advice with respect to any investment in the Company, and that the Benefit Plan Member has not relied upon any investment advice from the Manager or their respective affiliates with respect to any investment in the Company. Accordingly, fiduciaries of Benefit Plan Members should consult their own investment advisers regarding the prudence of the investment and their own legal counsel regarding the consequences under ERISA and the Code of such investment.

Additionally, all Benefit Plan Members will be required to agree to provide the Manager all information that is or becomes necessary for compliance with ERISA and/or the Code and to represent that this information is accurate and complete and will be promptly updated to the extent any of the information changes.

REGULATORY CONSIDERATIONS

Securities Act. The Units offered hereby are “securities,” as defined in the Securities Act and state securities laws. The Securities Act provides, among other things, that no sale of any securities may be made except pursuant to a registration statement that has been filed with the SEC, and has become effective, unless such sale (or the security sold) is specifically exempted from registration. State securities laws have analogous provisions. The Units being offered hereby have not been registered under the Securities Act. This Memorandum has not been reviewed by the SEC, nor has the SEC or any state securities commission or regulatory authority approved, passed upon or endorsed the merits of this offering. The offering and proposed sale of the Units will be made under the exemptions provided under Section 4(a) of the Securities Act and, in the case of non-“U.S. Persons” (as defined in Regulation S) described herein will be made in reliance on Regulation S promulgated under the Securities Act, or in the case of “U.S. persons” (as defined in Regulation S), in reliance upon Regulation D promulgated under the Securities Act. Each prospective investor who is “U.S. person” will be required to represent that it is an “accredited investor” (as defined in Regulation D) and will be required to provide information to the Company (or, if applicable, the third-party service provider engaged by the Company to verify accredited investor status of the prospective Member) as part of reasonable steps taken by the Company to verify such prospective Member’s accredited investor status. Each prospective investor who is a non-“U.S. Person” will be required to represent that: (i) it is not a “U.S. Person”; (ii) it has not subscribed for Units for the account any person who is a “U.S. Person”; (iii) the offer and sale of Units to the investor constitute an “Offshore Transaction” (as defined in Rule 902 under the Securities Act; (iv) the investor will not resell the Units other than in accordance with the LLC Agreement and the provisions of Regulation S, pursuant to registration under the Securities Act or pursuant to any other available exemption from registration; and (v) the investor agrees that it will not take any action that could have an adverse effect on the availability of the exemption from registration provided by Regulation S with respect to the offer and sale of Units.

Investment Company Act. Although the operations of the Company may be similar to those of an investment the Company, the Company will not be required to register as an “investment the Company” under the Investment Company Act. The Company intends to rely on the exception from the definition of “investment the Company” under the Investment Company Act set forth in Section 3(c)(5) of the Investment Company Act, which exempts an issuer “primarily engaged” in, among other things, purchasing or acquiring interests in, real estate. Accordingly, the provisions and extensive regulations of the Investment Company Act that apply to registered investment companies, which might otherwise govern the activities of the Company, will not be applicable to the Company.

PROCEDURES TO SUBSCRIBE

Prospective investors are urged to carefully consider the information set forth in this Memorandum, and to make such other inquiries and investigations as they may deem appropriate. If after such reading, consideration, and further inquiry a prospective investor decides to subscribe for any Units, such investor should follow the procedures set forth below.

Eligible Investors. An investment in Units is suitable only for investors of substantial financial means who have no need for liquidity in this investment. The Company intends to sell Units to Eligible Investors. The Company is offering: (i) Class A-1 Units to Eligible Investors who are “U.S. Persons” and who are “accredited investors” (as defined by Rule 501 under the 1933 Act) that the Company has taken reasonable steps to verify as accredited investors in accordance with Rule 506(c) under the Securities Act; and (ii) Class A-2 Units to Eligible Investor who are persons or entities who are not “U.S. Persons” as generally defined under Rule 902 of the Securities Act.

The Company reserves the right to reject subscriptions in its discretion. Each investor will be required to represent that such investor’s overall commitment to investments which are not readily marketable is not disproportionate to such investor’s net worth, and that such investor’s acquisition of Units will not cause such investor’s overall commitment to become excessive; that such investor can sustain a complete loss of such investor’s investment in the Units and has no need for liquidity in such investor’s investment in the Units; and that such investor has evaluated the risks of investing in the Units.

The term “**U.S. Person**” under Rule 902 of the Securities Act means (i) any natural person resident in the United States; (ii) any partnership or corporation organized or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. person; (iv) any trust of which any trustee is a U.S. person; (v) any agency or branch of a foreign entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and (viii) Any partnership or corporation if: (A) organized or incorporated under the laws of any foreign jurisdiction; and (B) formed by a U.S. person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Section 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts. The following are not “U.S. Persons”: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if: (A) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and (B) the estate is governed by foreign law; (iii) Any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person; (iv) An employee benefit plan established and administered in

accordance with the law of a country other than the United States and customary practices and documentation of such country; (v) any agency or branch of a U.S. person located outside the United States if: (A) the agency or branch operates for valid business reasons; and (B) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans. “U.S. Person” does not include any “Non-United States person” as used in Rule 4.7 promulgated under the U.S. Commodity Exchange Act, as amended.

An “**Accredited Investor**” under Regulation D under the 1933 Acts is any U.S. Person who comes within any of the categories listed below, or who the Company reasonably believes comes within any of such categories, at the time of the sale of the Units to that person.

- (i) Any bank as defined in Section 3(a)(2) of the 1933 Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the 1933 Act; any broker or dealer registered pursuant to Section 15 of the 1934 Act; any investment adviser registered pursuant to Section 203 of the Investment Advisers Act or registered pursuant to the laws of a state; any investment adviser relying on the exemption from registration under Section 203(l) or (m) under the Investment Advisers Act; any insurance company as defined in Section 2(13) of the 1933 Act; any investment company registered under the Investment Company Act or Business Development Company as defined in Section 2(a)(48) of the Investment Company Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any Rural Business Investment Company as defined in Section 384A of the Consolidated Farm and Rural Development Acts;
- (ii) Any ERISA Plan if the investment decision is made by a plan fiduciary, as defined in section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors; *provided, however*, that ERISA Plans are only Eligible Investors if the ERISA Plan’s investment, taken together with those of all other investors subject to ERISA, does not amount to 25% or more of the Units invested by persons other than the Manager and its affiliates;
- (iii) Any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000;
- (iv) Any private business development company as defined in Section 202(a)(22) of the Investment Company Act;
- (v) Any organization described in Section 501(c)(3) of the Code, corporation, Massachusetts or similar business trust, or partnership (which may include endowments or foundations) or limited liability company, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;
- (vi) Any natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of purchase, exceeds \$1,000,000 (*not including* the value of the primary

residence of such natural person, but *including as a liability against such individual or joint net worth* any indebtedness at the time of investment that is secured by such person's primary residence to the extent such indebtedness (a) exceeds the fair market value of such primary residence or (b) was incurred during the 60 days prior to investment and not used to purchase such primary residence);

- (vii) Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- (viii) Any trust (which may include endowments or foundations), with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the 1933 Act;
- (ix) Any entity in which all of the equity owners are accredited investors;
- (x) Any entity, of a type not listed in paragraphs (i), (ii), (iii), (iv), (v), (viii), or (ix), not formed for the specific purpose of acquiring the securities offered, owning investments (as defined in Rule 2a51-1(b) under the Investment Company Act); or
- (xi) Any natural person holding in good standing one or more professional certifications, designations, or credentials from an accredited educational institution that the SEC has designated to qualifying for individual accreditations;
- (xii) Any natural person who is a "knowledgeable employee," as defined in Rule 3c-5(a)(4) under the Investment Company Act, of the issuer of the securities being offered or sold where the issuer would be an investment company, as defined in Section 3 of the Investment Company Act, but for the exclusion provided by either Section 3(c)(1) or 3(c)(7) of the Investment Company Act;
- (xiii) Any "family office," as defined in Rule 202(a)(11)(G)-1 under the Investment Advisers Act not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000, and whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or
- (xiv) Any "family client," as defined in Rule 202(a)(11)(G)-1 under the Investment Advisers Act, of a family office meeting the requirements of paragraph (xiii) above and whose prospective investment is directed by such family office.

Each prospective investor should have adequate means of providing for its current needs and possible contingencies and should have no need for liquidity in this investment. An investor should be able to bear the economic risks of an investment in the Company for an indefinite period and should have the capacity to protect its own interest in connection with such an investment. Notwithstanding the foregoing, the Company may sell Units to any potential investor, including non-accredited investors, to the extent permitted by applicable law.

Verification of “Accredited Investor” Status

In order to invest in the Offering, each prospective Member that is a U.S. Person will be required to provide information to the Company (or, if applicable, the third-party service provider engaged by the Company to verify accredited investor status of the prospective Member) as part of reasonable steps taken by the Company to verify such prospective Member’s accredited investor status. The Company may engage a third-party service provider to take reasonable steps on its behalf to verify that the prospective Members are accredited investors and provide the Company with written confirmation of such status in accordance with Rule 506(c) of Regulation D under the 1933 Act. Prospective Members may be required to provide any or all of the following documentation to the Company (or, if applicable, the third-party service provider engaged by the Company to verify accredited investor status of the prospective Member) to satisfy the Company’s verification obligations pursuant to Rule 506(c) of Regulation D under the 1933 Act:

- (i) in regard to whether the prospective Member is an accredited investor on the basis of income, an IRS form that reports the prospective Member’s income for the two most recent years (including, but not limited to, Form W-2, Form 1099, Schedule K-1 to Form 1065, and Form 1040) and a written representation from the prospective Member that the prospective Member has a reasonable expectation of reaching the income level necessary to qualify as an accredited investor during the current year;
- (ii) in regard to whether the prospective Member is an accredited investor on the basis of net worth, a written representation from the prospective Member that all liabilities necessary to make a determination of net worth have been disclosed to the Company and the following types of documentation dated within the prior three months: (a) bank statements, brokerage statements and other statements of securities holdings, certificates of deposit, tax assessments, and appraisal reports issued by independent third parties, and (b) a consumer report from at least one of the nationwide consumer reporting agencies; or
- (iii) a written confirmation from: (a) a registered broker dealer, (b) an investment adviser registered with the SEC, (c) a licensed attorney in good standing under the laws of the jurisdictions in which he or she is admitted to practice law; or (d) a certified public accountant duly registered and in good standing under the laws of the place of his or her residence or principal office, which states that such person has taken reasonable steps to verify that the prospective Member is an accredited investor within the prior three months and has determined that such purchaser is an accredited investor.

Where the Company (or the third-party service provider engaged by the Company, if applicable) determines, in its sole discretion, that it has reason to question the prospective Member’s claim to be an accredited investor after reviewing any of the above documents, the Company (or the third-party service provider engaged by the Company, if applicable) will take additional verification measures in order to establish that it has taken reasonable steps to verify that the prospective Member is an accredited investor and, accordingly, may require that the prospective Member provide the Company with additional information in order to invest in the Offering.

Subscriptions. In order to subscribe, Eligible Investors should complete, execute and return to the Manager the documents listed below, which are delivered with this Memorandum. Where appropriate and where designated, the execution thereof should be made by the subscriber before a notary public, or other officer authorized to administer oaths in the jurisdiction where execution takes place. The notary public or officer must execute as required, affix his notarial seal and specify the date of expiration of his commission (or that such commission is perpetual).

- (i) An Investor Questionnaire*;

- (ii) A Subscription Agreement which contains certain covenants, warranties, promises and undertakings that should be carefully considered by the subscriber before execution*; and
- (iii) A Signature Page to the LLC Agreement, which when executed by the subscriber will constitute an agreement to become a party to, and be bound by, such LLC Agreement and all of its terms and conditions, including without limitation the Power of Attorney included therein. The LLC Agreement contains certain covenants, warranties, promises and undertakings, all of which should be carefully considered by the subscriber before execution.

*U.S. Persons will complete the Subscription Booklet for Class A-1 Common Units, and non-U.S. Persons will complete the Subscription Booklet for Class A-2 Common Units.

In addition, Eligible Investors should deliver the Unit Price for all Units that are proposed to be purchased in accordance with the instructions in the Subscription Booklet.

Forwarding of Subscriptions. All Investor Questionnaires, Subscription Agreements, and LLC Agreement Signature Pages should be mailed or delivered to the Manager at the address listed on the cover page of this Memorandum. A subscription will not be deemed to be accepted until the Manager has executed and delivered to the subscriber the Acceptance by Manager attached to such subscriber's Subscription Agreement.

Upon acceptance of its Subscription Agreements by the Manager, a subscriber will become subject to and bound by all of the terms and conditions of the LLC Agreement.

INDEPENDENT AUDITOR AND FINANCIAL REPORTS

The Manager intends on engaging on behalf of the Company a third-party public accounting firm to serve as the Company's independent certified public accounting firm to perform annual audits as well as provide certain tax services for the Company. As soon as reasonably practicable after the end of each of the Company's Fiscal Years, the Manager shall cause to be prepared financial statements of the Company for such Fiscal Year. The Manager will deliver copies of such audited financial statements to the Members as soon as reasonably practicable after they are completed.

LEGAL COUNSEL

Kilpatrick Townsend & Stockton LLP, The Grace Building #21, W. R. Grace Building, 1114 6th Ave, New York, NY 10036, serves as counsel to the Manager and the Company. Kilpatrick may continue to serve in such capacity in the future and may advise the Manager, as manager of the Company, in matters relating to the operation of the Company on an ongoing basis. In the event of a dispute between the Manager and the Company, Kilpatrick would represent the Manager and the Company would need to retain separate counsel. Kilpatrick does not represent the Members (other than the Manager), and no counsel has been retained to act on behalf of the Members (other than the Manager). This Memorandum was prepared based on information furnished by the Manager, and Kilpatrick has not independently verified such information. Kilpatrick has not assumed any obligation to update this Memorandum.

CONFIDENTIAL INFORMATION

This Memorandum and all matters contained herein are confidential and proprietary. Each person receiving a copy hereof, by accepting such delivery, shall be deemed to have agreed not to disclose or use any of the information herein contained except: (i) for purposes of evaluating an investment in the Company; or (ii) as otherwise required by applicable law.

IMPORTANT DISCLOSURES

THE UNITS OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “COMMISSION”) OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS THE COMMISSION OR ANY SUCH AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE UNITS ARE BEING OFFERED PURSUANT TO EXEMPTIONS FROM REGISTRATION WITH THE COMMISSION AND STATE SECURITIES REGULATORY AUTHORITIES; HOWEVER, NEITHER THE COMMISSION NOR ANY STATE SECURITIES REGULATORY AUTHORITY HAS MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED HEREIN ARE EXEMPT FROM REGISTRATION.

THIS MEMORANDUM IS TO BE USED BY THE OFFEREE NAMED ON THE COVER PAGE SOLELY IN CONNECTION WITH THE CONSIDERATION OF THE PURCHASE OF THE UNITS DESCRIBED HEREIN. THE INFORMATION CONTAINED HEREIN SHOULD BE TREATED IN A CONFIDENTIAL MANNER AND MAY NOT BE REPRODUCED OR USED IN WHOLE OR IN PART FOR ANY OTHER PURPOSE, NOR MAY IT BE DISCLOSED WITHOUT THE PRIOR WRITTEN CONSENT OF THE MANAGER. EACH OFFEREE ACCEPTING THIS MEMORANDUM THEREBY AGREES TO RETURN IT PROMPTLY UPON REQUEST.

THE UNITS BEING OFFERED HAVE NOT BEEN REGISTERED UNDER THE 1933 ACT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES LAWS OF ANY STATE, BUT ARE BEING OFFERED AND SOLD FOR PURPOSES OF INVESTMENT AND IN RELIANCE ON THE STATUTORY EXEMPTIONS CONTAINED IN SECTION 4(A)(2) OF THE 1933 ACT AND IN RELIANCE ON APPLICABLE EXEMPTIONS UNDER STATE SECURITIES LAWS. SUCH UNITS MAY NOT BE SOLD, PLEDGED, TRANSFERRED OR ASSIGNED EXCEPT IN A TRANSACTION THAT IS EXEMPT UNDER THE 1933 ACT AND APPLICABLE STATE SECURITIES LAWS, OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT THEREUNDER OR IN A TRANSACTION OTHERWISE IN COMPLIANCE WITH THE 1933 ACT, APPLICABLE STATE SECURITIES LAWS, THIS MEMORANDUM AND THE LIMITED LIABILITY COMPANY AGREEMENT.

By specifically furnishing a prospective Member with the information herein, the Company does not seek to imply that such information alone reflects a complete disclosure. As noted above, a copy of the LLC Agreement of the Company is available for review to assist prospective investors in understanding the nature and limitations placed on investments in the Units. Recognizing your knowledge and experience in financial and business matters, it is our understanding that you are fully capable of evaluating the merits and risks of a Member’s investment in the Company.

The Manager is available to answer all questions relevant to a Member’s proposed investment and to furnish any additional information that a prospective Member deems desirable.

SCHEDULE 1

INFORMATION REGARDING WAREHOUSED PROPERTY

Below the Manager has provided certain information regarding the Warehoused Property currently owned by Investhome and the initial terms of the development loans. Unless otherwise indicated, the below information is as of the date of the Memorandum. *In addition to the information set forth in this Schedule 1, additional information regarding the Warehoused Property may be requested from the Manager in writing.*

Warehoused Property

Property Name	309 H Street
Ownership Structure	This Property is 100% owned by Investhome.
Property Summary	An approximately 11,685 SF building located in the H Street Corridor in Washington, D.C. Investhome expects to develop a 2,140 sf retail space, along with multifamily housing with 3 studio units, 5 one-bedroom units, and 6 two-bedroom units.
Property Status	The Property was acquired by Investhome on or around November 20, 2024, for a total purchase price of \$2,082,843 including closing costs and fees. Investhome currently projects that development will be completed on or around December 2025.
Company Development Loan for the Warehoused Property	<p>The Manager expects to use the proceeds from the Offering to make a development loan to the owner of the Warehoused Property to recapitalize out the current mortgage on the Warehoused Property and supply capital for the development of the complex.</p> <p>The Manager expects the terms of the development loan to be:</p> <ul style="list-style-type: none"> • <u>Lender</u>: Investhome REIT, LLC • <u>Borrower</u>: Investhome Inc. • <u>Principal Amount</u>: Up to \$7.5M, to be drawn as construction continues on the property. • <u>Term to Maturity</u>: 18 months • <u>Interest Rate</u>: 10% per annum • <u>Security</u>: Loan obligations are to be secured by the Warehoused Property, construction and fixtures on the Property, and the Property's leases. <p>Following the development of multifamily complex for the Warehoused Property, the Manager currently expects that the Company will acquire the Warehoused Property from Investhome for its then-current fair market value, satisfying the Warehoused Property Development Loan in full at such time. However, there is no guarantee that the Company will acquire the Warehoused Property.</p>

EXHIBIT A

LIMITED LIABILITY COMPANY AGREEMENT

See Attached.

EXHIBIT B

SUBSCRIPTION BOOKLET

See Attached.