Victrix-Gordon Carew Tower QOF LLC

TABLE OF CONTENTS

Page

SECURITIES OFFERED THROUGH S2K FINANCIAL LLC (MEMBER FINRA/SIPC)

Victrix-Gordon Carew Tower QOF LLC

Membership Units

Minimum Investment: $100,000

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

APRIL 22, 2024

Confidential Private Placement Memorandum

Victrix-Gordon Carew Tower QOF LLC

Maximum Offering: $50,000,000

Membership Units

This Confidential Private Placement Memorandum (this "***Memorandum***") has been prepared on a confidential basis, solely for the benefit of selected qualified prospective investors in connection with a private placement of limited liability company membership interests ("***Units***") in Victrix-Gordon Carew Tower QOF LLC (the "***Company***"), a Delaware limited liability company. This Memorandum is not to be reproduced, redistributed, or used for any other purpose.

In making an investment decision, prospective investors must rely on their own examination of the Company and the terms of the offering, including the merits and risks involved and the tax consequences of making, holding, and disposing of such investment. The Company has not been registered as an investment company under the Investment Company Act of 1940, as amended (the "***Investment Company Act***") in reliance on exemptions therefrom. The Units have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***"), or the securities laws of any states. The Units are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such state laws. The Units have not been approved or disapproved by the Securities and Exchange Commission ("***SEC***"), any other U.S. state, non-U.S. securities commission, or other regulatory authorities, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense. This Memorandum does not constitute an offer or solicitation in any state or other jurisdiction in which such an offer or solicitation is not authorized.

Each purchaser of the Units offered hereby (an "***Investor***") must be an "accredited investor" within the meaning of Regulation D promulgated by the SEC under the Securities Act and meet other suitability requirements. The Units may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws, pursuant to registration thereunder or pursuant to an exemption from registration. There is no public market for the Units, and none is expected to develop in the future. The Limited Liability Company Agreement of the Company (as may be amended, the "***LLC Agreement***") has restrictions on transferability in addition to those imposed by law. Investors should be aware that they will be required to bear the financial risks of an investment in the Company for an indefinite period of time.

Any subscription for Units by a prospective Investor may be rejected, in whole or in part. An investment in the Units will involve significant risks due, among other things, to the nature of the investment the Company intends to make, and there can be no reassurance that there will be any return of capital. Investors should have the financial ability and willingness to accept the risks and lack of liquidity that are characteristic of the investment opportunity described herein. Investors in the Company must be prepared to bear such risks for the entire term of the Company.

This Memorandum is qualified in its entirety by the LLC Agreement, the subscription agreement that is related thereto (the "***Subscription Agreement***"), and the limited liability company agreement of 441 Vine Street QOZB LLC, a Delaware limited liability company (the "***Project Company***") that is a collective investment vehicle intended to qualify as a "qualified opportunity zone business" within the meaning of Section 1400Z-2(d)(3)(A) of the Internal Revenue Code of 1986, as amended (the "***Code***"). The Project

Company has previously accepted capital from third party investors (collectively, the "***Funds***"), some or all of which are Delaware limited liability companies and collective investment vehicles intended to qualify as "qualified opportunity funds" under Section 1400Z-2(d)(1) of the Code. Copies of the LLC Agreement, the Subscription Agreement, and the limited liability company agreement of the Project Company (the "***Project Company LLC Agreement***") are attached as exhibits to this Memorandum. 441 Vine Street Manager LLC, a Delaware limited liability company, is the manager of the Company (the "***Manager***"). The Manager will grant to each prospective Investor, prior to the sale of any Unit to such prospective Investor, (i) the opportunity to review additional documents and information, (ii) the opportunity to ask questions of, and to receive answers from, the Manager and other representatives of the Company concerning the terms and conditions of this offering or any other matter set forth herein, and (iii) the opportunity to request, and to receive, additional information necessary to verify the accuracy of the information set forth herein.

No person has been authorized to give any information or make any representations with respect to the Company or the offer of the Units other than the information contained in this Memorandum, the LLC Agreement, the Subscription Agreement, or the Project Company LLC Agreement (the "***Offering Documents***"), and, if given or made, such information or representation must not be relied upon as having been authorized by the Company or the Manager or any of their respective partners, members, officers, employees, managers, consultants, or affiliates.

Certain information contained in this Memorandum is based on or derived from information provided by independent third-party sources believed to be reliable, but the Manager cannot guarantee the accuracy of such information and such information has not been independently verified.

Neither the contents of this Memorandum nor any other documents or information provided to prospective Investors by the Company or the Manager should be construed as legal advice, financial advice, or tax advice. No representations or warranties of any kind are intended or should be inferred with respect to the economic return or the tax advantages that may or may not accrue to Investors in the Company. Each prospective Investor is urged to consult its own attorney or accountant as to legal, financial, tax, and related matters concerning an investment in the Company.

A prospective Investor's receipt of this Memorandum constitutes an agreement by such prospective Investor with the Company (i) to maintain the confidentiality of the Offering Documents and the confidentiality of any supplemental information that is provided to the prospective Investor by the Company or its representatives, either orally or in written form, (ii) not to reproduce or distribute the Offering Documents or any supplemental information, in whole or in part, and not to disclose any of its contents for any purpose other than to evaluate a potential investment in the Company, and (iii) to return promptly to the Company the Offering Documents and any supplemental information that is provided to the prospective Investor if the prospective Investor decides not to invest in the Company or if the offering is terminated.

Certain statements contained in this Memorandum, including, without limitation, statements containing the words "believes," "anticipates," "plans," "intends," "expects," "targets," and words of similar import constitute "forward looking statements." Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Certain of these factors are discussed in more detail elsewhere in this Memorandum. Given such uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. The Company and the Manager disclaim any obligation to update such factors or to announce the result of any revisions to any of the forward-looking statements contained herein to reflect future events or developments.

Prospective non-U.S. Investors will be provided with a supplement to this Memorandum with legends applicable to their country. Please contact the Manager for further information.

The Company entered into a managing placement agent agreement with S2K Financial LLC, a Delaware limited liability company and member of FINRA and SIPC (the ***"Managing Placement Agent***"), pursuant to which the Company will pay the Managing Placement Agent brokerage fees and sales commission of up to ten percent (10%) of the gross offering proceeds for the Units (the "***Placement Fees***") placed by the Managing Placement Agent and other participating broker-dealers (the "***Participating Placement Agents***," and together with the Managing Placement Agent, the "***Placement Agents***" and each a "***Placement Agent***"). The Placement Fees include: (i) a selling commission of up to seven percent (7.0%) of the gross offering proceeds for the Units and (ii) a dealer manager fee of up to three percent (3.0%) of the gross offering proceeds for the Units. All of the selling commissions and all or a portion of the dealer manager fees are expected to be reallowed to Participating Placement Agents. The Managing Placement Agent may waive or reduce the amount of Placement Fees in its sole discretion. The Managing Placement Agent will also receive a monthly stipend of $25,000 from the Company for expenses related to the offering for a twelve (12) month period following the commencement of the Offering (the "***Monthly Retainer***"). If sales of Units attributable to the Managing Placement Agent exceed a gross amount of $30,000,000 within twelve (12) months or less of the commencement of the Offering, the Company or the Manager will pay the Managing Placement Agent $360,000 *less* the Monthly Retainer that was paid as of such date.

The Company has agreed to indemnify the Managing Placement Agent from certain liabilities incurred by it in connection with the offering. The full range of services provided by the Managing Placement Agent is set forth in the engagement agreement, a copy of which is available from the Managing Placement Agent upon request.

In addition, some Investors may retain a registered investment advisor ("***RIA***") to manage the Investor's money and coordinate placement of it in the Company, or may retain a broker-dealer that manages the Investor's investments through fee-based programs (i.e., "wrap accounts") and coordinates placement of an investment in the Company. Such broker-dealers, together with RIAs, are referred to as "***Fee-Based Advisors***." If other assets managed by Fee-Based Advisors are unavailable to pay the Fee-Based Advisors their advisory fees, upon request from such Fee-Based Advisors. The payment of these advisory fees will be considered a distribution from the Company on behalf of such Investors, which may result in a portion of the gain deferred as a result of a Qualifying Investment (as defined below) in the Company to be recognized. See "*Risk Factors — Risks Relating to Qualified Opportunity Zone Program — Certain deemed distributions may result in the recognition of gain that was intended to be deferred as a result of an investment in the Company*" on page 37.

THIS MEMORANDUM SUPERSEDES IN ITS ENTIRETY ANY AND ALL PREVIOUSLY SUPPLIED MATERIALS RELATING TO THE COMPANY AND ITS BUSINESS PROSPECTS, INCLUDING, WITHOUT LIMITATION, ANY BUSINESS PLANS, FINANCIAL PROJECTIONS OR PRESENTATIONS PREVIOUSLY FURNISHED TO INVESTORS. SUCH MATERIALS SHOULD NOT BE RELIED UPON BY PROSPECTIVE INVESTORS IN CONNECTION WITH THEIR DECISION TO PURCHASE UNITS.

THIS MEMORANDUM CONTAINS SUMMARIES, BELIEVED BY THE COMPANY TO BE ACCURATE, OF CERTAIN TERMS OF CERTAIN DOCUMENTS, BUT REFERENCE IS HEREBY MADE TO THE ACTUAL DOCUMENTS, COPIES OF WHICH WILL BE MADE AVAILABLE TO PROSPECTIVE INVESTORS BY THE COMPANY UPON REQUEST. ALL SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THIS REFERENCE.

NEITHER THE DELIVERY OF THIS MEMORANDUM NOR THE ISSUANCE OF UNITS IN THIS OFFERING WILL IMPLY THAT INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE SET FORTH ON THE COVER HEREOF.

UPON THE ACCEPTANCE OF FIVE (5) OR MORE FLORIDA RESIDENTS AS PURCHASERS, EACH FLORIDA RESIDENT PROSPECTIVE PURCHASER ACKNOWLEDGES THAT ANY SALE OF UNITS TO THE FLORIDA RESIDENT PROSPECTIVE PURCHASER IS VOIDABLE BY THE FLORIDA RESIDENT PURCHASER WITHIN THREE (3) DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE FLORIDA RESIDENT PURCHASER TO THE COMPANY. THE AVAILABILITY OF THE PRIVILEGE TO VOID SALES PURSUANT TO SUBSECTION 11(A)(5) OF SECTION 517.061 OF THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT IS HEREBY COMMUNICATED TO EACH FLORIDA RESIDENT PROSPECTIVE PURCHASER.

EXECUTIVE SUMMARY

Investment Objective

Victrix-Gordon Carew Tower QOF LLC (the "***Company***") intends to facilitate the deferral of certain eligible taxable gains of Investors by qualifying and operating as a "qualified opportunity fund" as defined in Section 1400Z-2(d) of the Code (a "***QO Fund***"). The Company's manager is 441 Vine Street Manager LLC, a Delaware limited liability company (the "***Manager***").

The Company will invest all or substantially all (but ultimately not less than 90%) of its assets in the Project Company. The Project Company may accept capital from third party investors, and has previously accepted capital from third party investors, some or all of which are Delaware limited liability companies intended to qualify as QO Funds sponsored by an affiliate of the Manager. Membership interests in the Project Company are intended to qualify as "qualified opportunity zone partnership interests," which is a subcategory of "qualified opportunity zone property" ("***QOZ Property***"[1]).

A QO Fund is generally required to invest at least 90% of its assets in QOZ Property. QOZ Property, very generally, includes real estate and various real estate-related assets operated in connection with businesses that are located in economically distressed communities in the United States that have been designated as "qualified opportunity zones" ("***QO Zones***"). See "*Summary of QOZ Tax Incentives Program" in this section below and "Material U.S. Federal Income Tax Considerations — Qualified Opportunity Zone Program; Qualified Opportunity Funds*" beginning on page 65.

Company Investment

The Company's purpose and strategy is and has focused on the acquisition, redevelopment, and operation, through the Project Company, of a mixed-use property (the "***Project***") located at 441 Vine Street in Cincinnati, Ohio 45202. The real estate has been acquired and redevelopment activities have commenced. The Project consists of an office tower, which will be converted primarily to multifamily rental apartments with commercial, hospitality, storage, and/or mixed-use space. The Project is physically attached to and shares limited common elements with a neighboring hotel, which is separately owned and is not part of the Project (i.e., the Company's investment through the Project Company). The redevelopment of the Project is described in greater detail in Appendix A.

The Project is eligible for and/or has been awarded numerous grants, tax credits, and other subsidies for the Project that may partially offset development costs and/or be distributed to investors. In aggregate, these various subsidies significantly exceed the Project Company's initial $18 million purchase price for the underlying building and land. Eligible and awarded grants, tax credits, and other incentives include:

- Eligibility for approximately $25 million of tax credits through the Federal Historic Preservation Tax Incentives program, based on current development budgets;
- Tax credit award of $10 million through the State of Ohio Historic Preservation Tax Credit Program;
- Tax credit award of over $6 million through the State of Ohio Transformational Mixed-Use Development Program; and

---

[1] "***QOZ Property***" is described in greater detail under "*Material U.S. Federal Income Tax Considerations — Qualified Opportunity Zone Program; Qualified Opportunity Funds — Qualified Opportunity Zone Property*" beginning on page 65.

- A grant of over $4 million through the State of Ohio Brownfield Remediation Program.

Please note that there is no guarantee that the Project will continue to be awarded any grants, tax credits, and/or other subsidies, as each are subject to numerous requirements, and, even if the Project does, that these awards will ultimately benefit the Members of this Fund. There are also numerous costs associated with structuring, selling and utilizing these incentives that would reduce the ultimate value of a Member's interest in the Fund.

Project Company

The Project Company has acquired, and expects to redevelop, operate, and eventually sell or otherwise dispose of the Project. The Project Company is intended to qualify as a "qualified opportunity zone business," as defined in Code Section 1400Z-2(d)(3) (a "***QOZB***"), thus enabling the Company to acquire and invest in a "qualified opportunity zone partnership interest" as defined in Code Section 1400Z-2(d)(2)(C) in connection with the Company's acquisition of interests in the Project Company. The Manager believes that the Company's interests in the Project Company will qualify as QOZ Property and that the Project will qualify as "qualified opportunity zone business property" as defined in Code Section 1400Z-2(d)(2)(D) with respect to the Project Company, thus enabling the Company to elect to be treated as a "qualified opportunity fund" as defined in Code Section 1400Z-2(d). The Project Company will be managed by the Manager of the Company.

Time Incentive Award Program

The Company has a Time Incentive Award Program (the "***Time Incentive Award Program***") that provides early Investors with relatively higher preferred return hurdle rates. The hurdle rate (the "***Hurdle Rate***") available during each time period is set forth on the chart below. The award tiers are determined (i) initially, based on the aggregate Capital Contributions received by the Company, and (ii) thereafter, based on quarterly increments following the First Stepdown Date (each such date, a "***Stepdown Date***").

The "***First Stepdown Date***" shall be the first day of the calendar month following the calendar month in which the aggregate Capital Contributions to the Company are equal to or greater than $10,000,000. The "***Second Stepdown Date***" shall be the first day of the third calendar month following the calendar month in which the First Stepdown Date occurred. The "***Third Stepdown Date***" shall be the first day of the sixth calendar month following the Second Stepdown Date.

Applicable to each early Investor making a Capital Contribution:	**Award Tier**	**Hurdle Rate**
until the First Stepdown Date	15%	9.20%
on or after the First Stepdown Date and before the Second Stepdown Date	10%	8.80%
on or after the Second Stepdown Date and before the Third Stepdown Date	5%	8.40%
on or after the Third Stepdown Date	0%	8.00%

By way of example, if the aggregate amount of Capital Contributions to the Company reached $10,000,000 on June 15, 2024, an early Investor that makes its Capital Contribution on October 20, 2024, is in the 5% award tier and is entitled to a Hurdle Rate of 8.40%.

The Manager may in its sole discretion terminate the Time Incentive Award Program, extend the Time Incentive Award Program and alter the number of Time Incentive Credits awarded to Investors. Investors who participate in the Time Incentive Award Program will receive more preferred returns per dollar than Investors who invest who invest the same dollar after the Time Incentive Award Program terminates.

Investment Experience and Real Estate-Related Experience of Victrix Affiliates

For over 55 years, Gordon Property Group ("***GPG***") has assembled, developed, and operated a broad real estate portfolio. The Company has focused on acquiring properties in exceptional locations, initially in New York City and later across the United States. Notable office holdings include 860 Broadway, directly on Manhattan's Union Square, and 441 Lexington Avenue, across from Grand Central Station. Premier luxury properties include The Alyn on Manhattan's Upper East Side and the Bridgehampton Tennis and Surf Club fronting the Atlantic Ocean on the South Fork of Long Island. Meyers Parking, the parking affiliate of GPG, owns six garages in Manhattan and is the official parking company for Madison Square Garden, home of the New York Knicks and New York Rangers. The Gordon family is also a co-founder of Gordon Haskett Capital Corporation, a member firm of the New York Stock Exchange and FINRA. Gordon Haskett has provided trading and portfolio management system services to institutional clients since 1974.

Victrix LLC is an affiliate of Gordon Property Group that was formed to take advantage of the rapidly expanding opportunity to convert underutilized office assets to multifamily and other alternative uses. Some of the key members of the Victrix team – comprised of both internal dedicated employees and external specialists such as architects, engineers, and contractors – have worked together on adaptive-reuse projects for over 15 years. The Victrix principals have completed 7 adaptive re-use projects totaling $370 million of total investment and Victrix currently has 1.4 million square feet of office-to-multifamily conversions under redevelopment totaling over $300 million of gross investment. Victrix is one of the most active investors in the adaptive re-use space.

Victrix's Chief Executive Officer, Anoop Davé, has approximately 20 years of experience leading adaptive re-use projects, most often converting underutilized office or warehouse properties into mixed-use projects anchored by residential or hospitality uses. Mr. Davé started his career with PMC Property Group, focusing on re-use projects. Prior to co-founding Victrix, he worked in executive capacities at various real estate private equity funds and operators.

Victrix's President, Timothy Gordon, has over 20 years of investment experience, having started his career on the restructuring team of The Blackstone Group. In addition to his role at Victrix, Mr. Gordon serves as Managing Director of GPG and Co-Founder/Partner of Aria Development Group ("***Aria***"). GPG owns and manages commercial, mixed-use, and residential property, Meyers Parking, and the Bridgehampton Tennis & Surf Club. Aria is among the most active ground-up multifamily developers in Washington DC and Miami, with other projects throughout the country. Aria has also completed multiple distressed mortgage acquisitions and originated a series of structured credit investments. Aria's notable developments include 321 Ocean Drive in Miami, The Clifton in Washington DC, and 465 Pacific Street in Brooklyn. Outside of real estate, Mr. Gordon co-founded Gordon Haskett Research Advisors ("***GHRA***"), the equity research affiliate of Gordon Haskett Capital Corporation. GHRA has established itself as a premier boutique provider of consumer and event-driven/special situation equity research.

Affiliates of Gordon Property Group, Victrix LLC, and the Victrix principals currently manage 40 assets totaling over $2.5 billion of gross asset value across a wide variety of asset types and strategies, including development, value-add, and long-term investments in residential, office, retail, hospitality, and parking assets.[2] [3] In addition, these affiliates have sold 10 assets representing total gross investment (debt and equity) of over $490 million. Realized investments have delivered a weighted-average gross IRR (as defined below) of approximately 18.8% and have returned proceeds of approximately 2.0x of total invested equity.[4]

[2] Represents real estate investments for which affiliates of one or more of Gordon Property Group, Victrix LLC, Timothy Gordon, or Anoop Davé are either sole owners or key members of the general partnership entity.

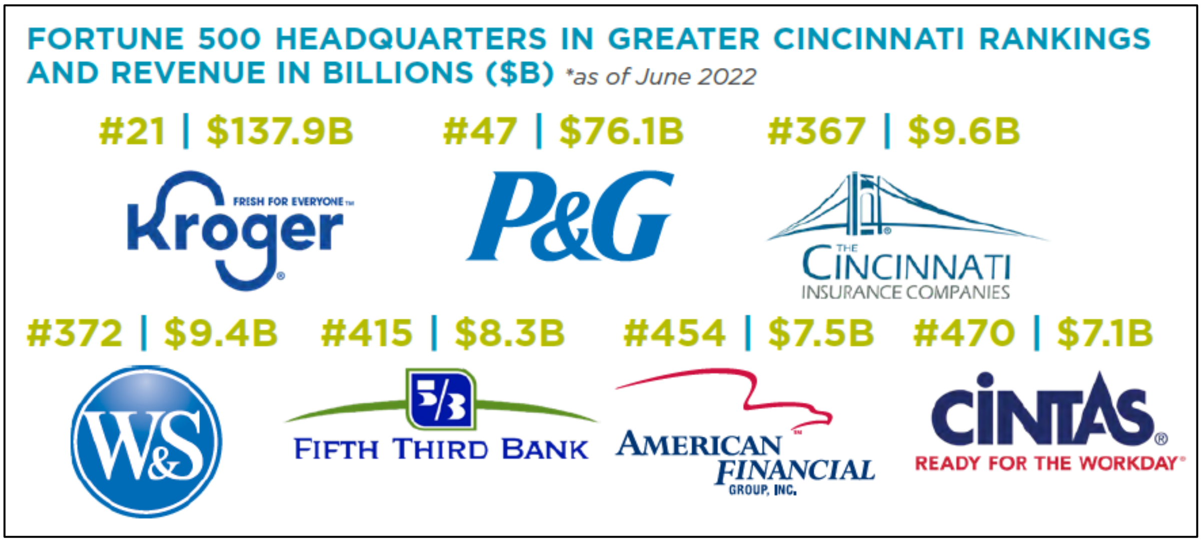
[3] Assets under management are measured as follows: for stabilized, long-term investments, property tax assessed value; for value-add investments, total invested capital (debt and equity); for development or redevelopment projects underway, pro forma total invested capital (debt and equity).

[4] Weighted-average calculated per total equity invested per transaction.

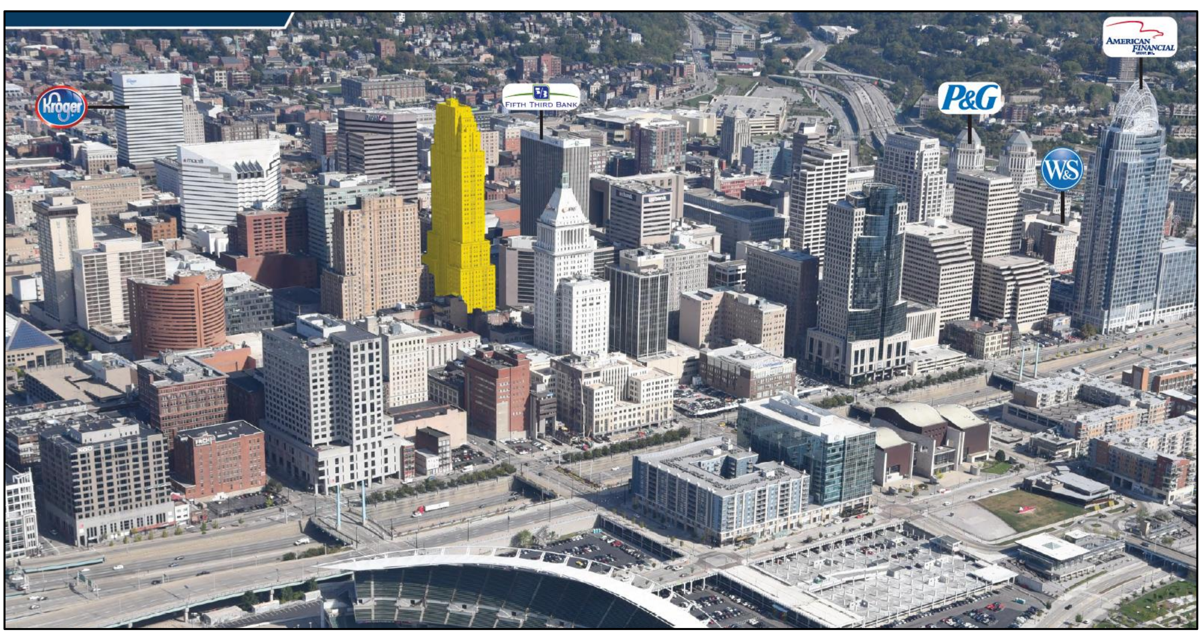
Cincinnati Market Summary

<u>Greater Cincinnati Overview</u>

The Greater Cincinnati metropolitan area is home to 2.3 million people and a growing, diversified economy rooted in health care, education, consumer retail, finance and professional services, technology, and advanced manufacturing. Seven Fortune 500 companies are headquartered in the Cincinnati area, including Kroger, Proctor & Gamble, Western & Southern Life Insurance Company, Fifth Third Bank, and Cintas. This corporate presence not only brings jobs but also fosters a supportive ecosystem for small businesses and startups, particularly in fields like biotechnology, healthcare, and information technology.



Many of the region's major corporate headquarters are located just blocks from Carew Tower, as shown in the map below.



Health care is another major driver of the Cincinnati economy, led by Cincinnati Children's Hospital, the #1 ranked children's hospital[5] in the United States. In addition to its top overall rank, Cincinnati Children's was also among the top-rated for many of the most important specialties, including Pediatric Cancer (#1 in nation), Neonatology (#1 in nation), Endocrinology (#1 in nation), Gastroenterology (#2 in nation), Pulmonology/Lung Surgery (#2 in nation), Orthopedics (#3 in nation), and Cardiology/Heart Surgery (#7 in nation).

U.S. News: Best Children's Hospitals Honor Roll

1. Cincinnati Children's Hospital Medical Center.
2. Boston Children's Hospital.
3. Texas Children's Hospital, Houston.
4. Children's Hospital of Philadelphia.
5. Children's National Hospital, Washington, D.C.
6. Nationwide Children's Hospital, Columbus, Ohio.
7. Children's Hospital Los Angeles.
8. UPMC Children's Hospital of Pittsburgh.
9. Rady Children's Hospital, San Diego, California.
10. Johns Hopkins Children's Center, Baltimore, Maryland.

The region is home to many other strong hospitals attracting both employment and patients to the area, including The Christ Hospital Medical Center, the TriHealth Hospital Network, Bon Secours Mercy Health, St. Elizabeth, and the University of Cincinnati Medical Center.

The city's employment market is supported by several strong area universities, including the University of Cincinnati, Xavier University, and Miami University, ensuring a deep and highly educated labor force.

Regional Colleges & Universities

[5] Source: U.S. News & World Report

Downtown Cincinnati Overview

Cincinnati's central business district is a vibrant and evolving hub of commerce, culture, and connectivity. As the economic heart of the city, the CBD boasts an impressive skyline dotted with modern high-rises and historic buildings, reflecting the city's rich history and its dynamic future. Home to major corporations, innovative startups, and a plethora of small businesses, this area thrives on diversity in its economic landscape. Downtown Cincinnati is not just a place for work; it's also a destination for entertainment, dining, and shopping, with a variety of restaurants, shops, and cultural venues.

Downtown Cincinnati blends seamlessly with two walkable neighboring entertainment and nightlife centers: Over-The-Rhine and The Banks. Over-the-Rhine is home to many of the city's trendiest bars and restaurants. The Banks is a celebrated mixed-use area home to the Cincinnati Bengals' Paycor Stadium, the Cincinnati Reds' Great American Ball Park, the National Underground Railroad Freedom Center, the ICON Music Center, and Smale Riverfront Park, as well as numerous bars and restaurants.

At the foot of Carew Tower sits Fountain Square, acclaimed by USA Today as one of the top public squares in the nation. Fountain Square, which hosts over 450 free events each year, underwent a $50 million renovation in 2006 including a concert stage, ice rink, and other entertainment amenities.

Cincinnati Multifamily Overview

Cincinnati's rental market has been one of the strongest and most consistent in the country. Since 2018, Cincinnati's rents have grown at an average rate of 7.0% per year[6], ranking it 5th among the Top 30 largest markets in terms of average annual rent growth during this time. Furthermore, Cincinnati boasts one of the lowest supply pipelines in this peer group[7], indicating that apartment owners will face less competition from new construction than in some other markets.

Cincinnati rent growth in past 5 years

2019:	+5.3% rent growth
2020:	+4.1%
2021:	+10.3%
2022:	+9.6%
2023:	+6.0%

Source: Zillow Observed Rent Index: Multi Family Residences

Top markets for rent growth since 2018

1)	Miami, FL	+ 8.9% / yr.
2)	Tampa, FL	+ 8.9% / yr.
3)	Riverside, CA	+ 8.0% / yr.
4)	Phoenix, AZ	+ 7.5% / yr.
5)	**Cincinnati, OH**	**+ 7.0% / yr.**
6)	San Diego, CA	+ 6.8% / yr.
7)	Las Vegas, NV	+ 6.7% / yr.
8)	Orlando, FL	+ 6.1% / yr.
9)	Sacramento, CA	+ 5.8% / yr.
10)	Boston, MA	+ 4.8% / yr.

Source: Zillow Observed Rent Index: Multi Family Residences

[6] Source: Zillow Observed Rent Index (Multi-Family Residences)

[7] Source: Costar

Summary of QOZ Tax Incentives Program

The primary purpose of the Company's investment strategy will be the protection of the Investors' potential favorable tax treatment received pursuant to tax incentives created under the qualified opportunity zone program (the "***QOZ Program***") enacted by the Tax Cuts and Jobs Act of 2017 (P.L. 115-97) (the "***2017 Tax Act***") pursuant to Sections 1400Z-1 and 1400Z-2 of the Code, and the applicable United States Treasury regulations promulgated thereunder (the Treasury regulations together with the relevant Code sections, the "***QOF Regulations***").

Under the QOF Regulations, investors with federal taxable capital gains are allowed to defer such taxable gains by timely investing those gains in "qualified opportunity zones." Under the QOF Regulations, any taxpayer that recognizes capital gains for federal income tax purposes (including individuals, corporations, partnerships and other pass-through entities such as trusts) may elect to defer the recognition of eligible gains from the sale to or exchange with an unrelated party of property (including stock, partnership interests, personal property, and real estate) by timely investing cash in an amount equal to or less than the amount of such eligible gains in exchange for equity of a QO Fund (such as the Company). The QO Fund must then, generally, invest in QOZ Property. To qualify for deferral of recognition of eligible gains, a U.S. taxable investor must generally invest cash in an amount equal to or less than the amount of such eligible gains into a QO Fund within 180 days of the date of the sale or exchange of the property that created the eligible gains. Generally, the U.S. taxable investor will then be able to defer recognition of the invested capital gain until the earlier of the date of disposition of its interest in the QO Fund or December 31, 2026 (the "***Deferral Benefit***"). Once the deferral ends, Investors must generally recognize the deferred gain at the applicable capital gains rate (short-term or long-term, as applicable, in correspondence with the nature of the original gain) at the time the deferral ends. See "*Risk Factors — Risks Relating to Qualified Opportunity Zone Program*" beginning on page 36.

In addition to temporary deferral of certain taxable gains, if the Company qualified as a QO Fund and if an Investor holds an investment in the Company for at least ten years, the Investor may elect to permanently exclude from federal taxable income gain from the disposition of their Interest in the Company (and gain (other than gain from the sale or exchange of any item of inventory, as defined in section 1221(a)(1) of the Code) that flows through to such Investor as a result of the Company's or the Project Company's disposition of assets) resulting from appreciation in the value of their Interest in the Company (or the Company's assets) (the "***Appreciation Benefit***" and together with the Deferral Benefit the "***QOF Benefits***").

The QOF Regulations have been in existence since December 2017, and final regulations issued in 2020. There are areas of the QOF Regulations and related guidance which remain unclear. Additional legislation may be required to clarify certain areas of the QOF Regulations. Further, the Internal Revenue Service ("***IRS***") has issued, and may issue further, guidance as to key areas of the QOF Regulations. See "*Risk Factors — Risks Relating to Qualified Opportunity Zone Program*" beginning on page 36.

For additional information regarding the QOZ Program and the application of the QOF Regulations to the Company, see "*Material U.S. Federal Income Tax Considerations — Qualified Opportunity Zone Program; Qualified Opportunity Funds*" beginning on page 65.

There is no guarantee that Investors will realize the tax benefits outlined in this Memorandum, and if unfavorable legislation, regulations, or guidance is enacted, issued, or released the Company may not qualify as a QO Fund and its investments may not be considered as QOZ Property, which could disqualify you from receiving any of the QOF Benefits.

Victrix-Gordon Carew Tower QOF LLC

MANAGEMENT

Background

For over 55 years, Gordon Property Group ("***GPG***") has assembled, developed, and operated a broad real estate portfolio. The Company has focused on acquiring properties in exceptional locations, initially in New York City and later across the United States. Notable office holdings include 860 Broadway, directly on Manhattan's Union Square, and 441 Lexington Avenue, across from Grand Central Station. Premier luxury properties include The Alyn on Manhattan's Upper East Side and the Bridgehampton Tennis and Surf Club fronting the Atlantic Ocean on the South Fork of Long Island. Meyers Parking, the parking affiliate of GPG, owns six garages in Manhattan and is the official parking company for Madison Square Garden, home of the New York Knicks and New York Rangers.

The Gordon family's relationship with New York City extends beyond real estate, reaching to the City's vibrant cultural scene and critical financial services sector. The Gordon family produced some of Broadway's most celebrated works, including Rent, Hairspray and Kinky Boots, all of which are Tony Award winners for Best Musical. The Gordon family is also a co-founder of Gordon Haskett Capital Corporation, an institutional stock brokerage member firm of the New York Stock Exchange and FINRA, Gordon Haskett Research Advisors, LLC, a boutique provider of highly differentiated equity research, and Indata Services Co., LLC, a leading provider of securities portfolio management system services and trade order management systems to institutional money managers since 1974.

In January 2021, Timothy Gordon partnered with Anoop Davé, one of the foremost adaptive-reuse specialists in the United States, to launch Victrix LLC ("***Victrix***"). Victrix, which is an affiliate of Gordon Property Group, is highly focused on the rapidly expanding opportunity to convert underutilized office assets to multifamily and other alternative uses. The decision to partner together to form Victrix came after an affiliate of Gordon Property Group invested in two successful office-to-residential conversions led by Mr. Davé at his previous firm. Mr. Davé serves as Victrix's Chief Executive Officer and Mr. Gordon serves as the firm's President. Some of the key members of the Victrix team – comprised of both internal dedicated employees and external specialists such as architects, engineers, and contractors – have worked together on adaptive-reuse projects for over 15 years.

The Manager has full authority and responsibility to manage the business and affairs of the Company, subject to the right of the Members (including the Manager), to approve a very limited number of specific decisions of the Company. The biographies of the principals of the Manager are set forth below.

Affiliates of Gordon Property Group, Victrix LLC, and the Victrix principals currently manage 40 assets totaling over $2.5 billion of gross asset value across a wide variety of asset types and strategies, including development, value-add, and long-term investments in residential, office, retail, hospitality, and parking assets.[8] [9] In addition, these affiliates have sold 10 assets representing total gross investment (debt and equity) of over $490 million. Realized investments have delivered a weighted-average gross IRR (as

---

[8] Represents real estate investments for which affiliates of one or more of Gordon Property Group, Victrix LLC, Timothy Gordon, or Anoop Davé are either sole owners or key members of the general partnership entity.

[9] Assets under management are measured as follows: for stabilized, long-term investments, property tax assessed value; for value-add investments, total invested capital (debt and equity); for development or redevelopment projects underway, pro forma total invested capital (debt and equity).

defined below) of approximately 18.8% and have returned proceeds of approximately 2.0x of total invested equity.[10]

Management of the Project Company

Anoop Davé has served as the Chief Executive Officer of Victrix since he co-founded the Company in January 2021. Mr. Davé has twenty years of experience leading adaptive re-use projects, most often converting underutilized office or warehouse properties into mixed-use projects anchored by residential or hospitality uses. He has been involved in over $2 billion worth of real estate investments. Mr. Davé started his career with PMC Property Group, focusing on re-use projects. Prior to co-founding Victrix, he worked in executive capacities at various real estate private equity funds and operators. Mr. Davé served as Senior Vice President at The Bernstein Companies from September 2015 until January 2021. Mr. Davé currently serves on the board of SAM Elimu, a charitable foundation that supports disadvantaged children in Kenya through primary school, high school, and university. He is the editor of the textbook, Real Estate Finance and Investments: Risks and Opportunities, authored by Dr. Peter Linneman. Mr. Davé received a Bachelor of Applied Science, graduating magna cum laude, from The Wharton School at the University of Pennsylvania. We believe Mr. Davé is a valuable member of our executive team because of his extensive financial, real estate, and management experience.

Timothy Gordon has served as the President of Victrix since he co-founded the Company in January 2021. Mr. Gordon began his career on the restructuring team of The Blackstone Group in June 1997. In September 2003, he joined a special situation hedge fund as a partner, before joining his family's business in January 2009. In addition to his role at Victrix, Mr. Gordon has served as Managing Director of Gordon Property Group since 2009. GPG owns and manages commercial, mixed-use, and residential property in the New York metro area, Meyers Parking, and the Bridgehampton Tennis & Surf Club. Mr. Gordon has also served as Co-Founder and Principal of Aria Development Group ("***Aria***") since 2009. Aria is a ground-up multifamily developer, primarily focused in the Washington D.C. and Miami markets. Aria has also completed multiple distressed mortgage acquisitions and originated a series of structured credit investments. Outside of real estate, Mr. Gordon co-founded Gordon Haskett Research Advisors ("***GHRA***") in 2013, where he currently serves as a Principal. GHRA is a boutique equity research affiliate of Gordon Haskett Capital Corporation, focused on consumer, event-driven and special situation equity research. Mr. Gordon received a Bachelor of Arts from Harvard University, graduating cum laude, as well as an Masters in Business Administration from Harvard Business School. We believe Mr. Gordon is a valuable member of our executive team because of his extensive financial, real estate, and management experience.

[10] Weighted-average calculated per total equity invested per transaction.

VICTRIX-GORDON CAREW TOWER QOF LLC

Summary of Principal Terms

The following is a summary of the principal terms of the Offering, the Company's Limited Liability Company Agreement (the "***LLC Agreement***") and the Project Company's Limited Liability Company Agreement (the "***Project Company LLC Agreement***"). The terms are qualified by reference to the LLC Agreement and the subscription agreements (the "***Subscription Agreements***" and, together with the LLC Agreement and Project Company LLC Agreement, the "***Agreements***") relating to the purchase of membership interests in the Company (the "***Units***") and the Company's investment in the Project Company. The forms of the Agreements are included as Appendix B, Appendix C, and Appendix D, respectively, and should be reviewed carefully prior to making an investment in the Company. If any description or term in this Memorandum is inconsistent with or contrary to the Agreements, the provisions of the Agreements will control. ***If you have any questions about the Company, please email investors@victrixllc.com.***

LLC Agreement

The Company:	Victrix-Gordon Carew Tower QOF LLC, a Delaware limited liability company, intends to qualify as a "qualified opportunity fund" ("***QO Fund***") as defined in Section 1400Z-2(d) of the Internal Revenue Code of 1986, as amended (the "***Code***").
Manager:	The managing member of the Company will be 441 Vine Street Manager LLC, a Delaware limited liability company (the "***Manager***"). The managing principals of the Manager are Anoop Davé and Timothy Gordon. The Manager will have full and exclusive management authority over all investments, investment decisions, asset acquisition and dispositions, distributions, and other affairs of the Company. Approval of a majority in interest of the Members will be necessary for the Manager to take certain actions, including the amendment of the LLC Agreement in a manner that adversely and materially affects the Members.
Investment Strategy:	The Company expects to invest in 441 Vine Street QOZB LLC, a Delaware limited liability company (the "***Project Company***"). The Project Company expects to accept capital from third party investors and affiliated Funds of the Company. The Project Company is an affiliate of the Manager. See "*Management — Management of the Project Company*" (page 26). The principals of the Manager are indirectly invested through a subsidiary of the Project Company. The Project Company has acquired, and is expected to develop, operate, and eventually dispose of the Project, as defined on page 5 under "Executive Summary — Company Investment" and explained in further detail in Appendix A. The Project Company is expected to do so through two wholly owned entities disregarded as separate entities from the Project Company for federal income tax purposes, 441 Vine Street Holding LLC, a Delaware limited liability company ("***441 VSH***") and 441 Vine Street Owner LLC, a Delaware limited liability company ("***441 VSO***"). The Manager intends that interests in the Project Company will qualify as "qualified opportunity zone property" as defined in Code Section 1400Z-

2(d)(2), and specifically as "qualified opportunity zone partnership interests" as defined in Code Section 1400Z-2(d)(2)(C). For further information about what constitutes QOZ Property, please refer to "Material U.S. Federal Income Tax Considerations — Qualified Opportunity Zone Program; Qualified Opportunity Funds" beginning on page 65 of this Memorandum.

While the Company will endeavor to protect the Investors' potential favorable tax treatment received pursuant to the QOF Regulations, no guarantee as to any particular tax results can be provided.

The Offering: The Company is conducting a private offering of a maximum of up to $50 million in Units (the "***Maximum Offering Amount***") to investors (the "***Investors***," and together with the Manager, the "***Members***"), which are being offered at a price of $1,000 per Unit. The Manager arbitrarily set the offering price of the Company's Units, and this price bears no relationship to the book or net value of the Company's assets.

Investors must certify that they are "accredited investors" and provide materials verifying their status as "accredited investors" (as defined in Regulation D under the Securities Act). The minimum investment for each Investor will be $100,000, which may be reduced at the discretion of the Manager. Further, the minimum investment amount for a subsequent investment of an Investor will be $5,000, which may be reduced at the discretion of the Manager.

The offering of Units will continue until the earliest of (i) the Company accepts subscriptions to purchase the Maximum Offering Amount of Units, or (ii) the Manager otherwise determines to terminate the offering in its discretion (the "***Offering Period Termination Date***").

Managing Placement Agent: The Company entered into a managing placement agent agreement (the "***Placement Agreement***") with S2K Financial LLC, a Delaware limited liability company and member of FINRA and SIPC (the ***"Managing Placement Agent***"), pursuant to which the Company will pay the Managing Placement Agent brokerage fees and sales commission of up to ten percent (10%) of the gross offering proceeds for the Units (the "***Placement Fees***") placed by the Managing Placement Agent and other participating broker-dealers (the "***Participating Placement Agents***," and together with the Managing Placement Agent, the "***Placement Agents***" and each a "***Placement Agent***"). The Placement Fees include: (i) a selling commission of up to seven percent (7.0%) of the gross offering proceeds for the Units and (ii) a dealer manager fee of up to three percent (3.0%) of the gross offering proceeds for the Units. A portion of the Placement Fees may be re-allowed to Participating Placement Agents, if any. The Managing Placement Agent may waive or reduce the amount of Placement Fees in its sole discretion. The Managing Placement Agent will also receive a monthly stipend of $25,000 from the Company for expenses related to the offering for a twelve (12) month period following the commencement of the Offering (the "***Monthly Retainer***"). If sales of Units attributable to the Managing Placement Agent exceed a gross amount of $30,000,000 within twelve (12) months or less of the commencement of the Offering, the Company or the Manager will pay the Managing Placement Agent $360,000 *less* the Monthly Retainer paid as of such date.

The Managing Placement Agent may not, without the Manager's prior written consent, serve as the dealer manager or otherwise participate in a selling group distributing securities in the U.S. retail investor market for, and neither the Service Provider nor any of its affiliates shall otherwise receive fees from or provide services to, any other fund, limited liability company, partnership or other investment vehicle investing or developing or intending to invest or develop office-to-residential conversions. Such exclusivity period shall commence on the date of this Memorandum and terminate on the date that is 18 months following the later of (a) the termination of the Placement Agreement or (b) the last day upon which the Managing Placement Agent is distributing securities in the Offering.

Service Provider Member: The Company and the Manager have entered into the Services Agreement with S2K Servicing LLC (the "***Service Provider Member***"), a subsidiary of S2K Partners Co. LLC, which also owns the Managing Placement Agent. Pursuant to the Services Agreement, the Service Provider Member will provide certain services to the Company and the Manager, including administrative services relating to communications with Investors, public relations activities, marketing services, technology support, and various operational services, and such other customary services agreed upon by the parties in the Services Agreement. The Service Provider Member will be entitled to receive the Service Provider Fees described below under " – *Service Provider Fees*" and has a Carried Interest in the Company that is represented by Class P Units, as described below under "– Distributions of Cash Flow and Upon Liquidation."

Time Incentive Award Program: The Company's Time Incentive Award Program sets each early Investor's preferred return hurdles, with earlier Investors receiving relatively higher hurdle rates. The Hurdle Rate available during each time period is set forth on the chart below. The award tiers are determined (i) initially, based on the aggregate Capital Contributions received by the Company, and (ii) thereafter, based on quarterly increments following the First Stepdown Date pursuant to the chart below, depending on the date such Investor invested in the Company:

Applicable to each early Investor making a Capital Contribution:	**Award Tier**	**Hurdle Rate**
until the First Stepdown Date	15%	9.20%
on or after the First Stepdown Date and before the Second Stepdown Date	10%	8.80%
on or after the Second Stepdown Date and before the Third Stepdown Date	5%	8.40%
on or after the Third Stepdown Date	0%	8.00%

The Manager may in its sole discretion terminate the Time Incentive Award Program, extend these dates and alter the number of Time Incentive Credits awarded to Investors.

Term:	The Company currently expects to hold the Project for at least ten (10) years (the "***Term***") to maximize any available opportunity zone tax benefits and terminate following the disposition of the Project. However, the Company may shorten or lengthen the holding period for the Project based on market conditions, and some or all of the Members may not realize all or any of the opportunity zone tax benefits if the holding period is shortened to less than ten (10) years from the Final Closing.
Initial and Subsequent Closings:	The Manager will hold the initial closing (the "***Initial Closing***") at any time in its sole discretion, has already occurred and there is no minimum capital requirement for the Company to accept to commence operations as a QO Fund. Subsequent closings may occur at the discretion of the Manager, provided that the final closing (the "***Final Closing***") will not occur later than the Offering Period Termination Date. Members shall participate equally without respect to which closing(s) in which they participated, except that any Member admitted in subsequent closings shall not participate in any way in any distributions or income allocations made prior to the date of the subsequent closing on which the Member was admitted to the Company.
Capital Contributions:	Each Member will be required to contribute the entire amount of its subscription funds to the Company upon its admission to the Company (a Member's "***Capital Contribution***"). Each Investor's subscription to purchase Units will be irrevocable upon acceptance by the Manager on behalf of the Company.
Asset Management Fee:	The Manager will be entitled to receive an annual asset management fee (the "***Asset Management Fee***"), payable in monthly installments, calculated with respect to 1.0% of the aggregate capital contributions received by the Company from the Investors.
Development Fee:	The Manager (or its affiliate) will be entitled to receive a development fee (the "***Development Fee***") from the Company, equal to the product of (1) Company's percentage ownership interest in the Project Company and (2) the greater of (i) $5M and (ii) 5.0% of the Project costs excluding the initial acquisition price of the building, lender origination fees, and lender interest reserves. If the Project Company pays any development fee to the Manager or its affiliates, the Company's pro rata share (per its percentage ownership interest in the Project Company) of such development fee paid by the Project Company shall be deducted from the Development Fee payable to the Manager by the Company to avoid duplicative payment of development fees.

Service Provider Fees:	The Service Provider Member will generally be entitled to receive fees from the Company equal to the following: (a) 20% of the Asset Management Fees that the Fund pays the Manager and (b) 100% of the Development Fee in excess of the product of (i) $4,000,000 and (ii) the Company's percentage ownership interest in the Project Company until such time that the Service Provider Member has received the product of (A) $1,000,000 and (B) the Company's percentage ownership interest in the Project Company, then 20% of Development Fee in excess of the product of (X) $5,000,000 and (y) the Company's percentage ownership interest in the Project Company (the "***Service Provider Development Fee***" together with the Asset Management Fee payable to the Service Provider Member, the "***Services Fees***"). By way of example and for illustrative purposes only, if the Company contributes $30,000,000 of equity to Project Company and other entities contribute $20,000,000 of equity to Project Company (such that the Company's percentage ownership interest in Project Company is 60%), and the Company pays $3,600,000 of the Development Fee, then the Service Provider Development Fee shall equal $720,000, calculated as follows: 100% * ($5,000,000 * 60% – $4,000,000 * 60%) + 20% * ($3,600,000 – $5,000,000 * 60%) = $720,000. Upon a termination by the Company or the Manager of the Services Agreement for Limited Cause (as defined below), the Service Provider Member will be entitled to receive all Services Fees due and payable (but not yet paid) to the Service Provider Member as of the date of termination. Further, the Service Provider will be entitled to receive fees (the "***Limited Cause Termination Fees***") equal to (A) for the period prior to the termination of the Services Agreement, (i) 20% of all Asset Management Fees paid by the Company to the Manager and (ii) all Service Provider Development Fees and (B) for the period following the termination of the Services Agreement, (i) 20% of all Asset Management Fees paid by the Company to the Manager and (ii) all Service Provider Development Fees, less the Replacement Cost Amount. "***Replacement Cost Amount***" is the aggregate reasonable costs incurred, from time to time, by the Manager in order to replace the Service Provider Member with a comparable replacement service provider unaffiliated with the Manager or its Affiliates to provide the services in the Services Agreement. For purposes of the Services Agreement, "***Limited Cause***" means each of (a) a material breach of the Services Agreement by the Service Provider Member that remains uncured thirty (30) days after the Service Provider Member receives written notice of such material breach from the Manager, (b) a Change of Control (as defined in the Services Agreement) of the Service Provider Member not approved in advance by the Manager, and (c) failure by the Service Provider Member and its Affiliates to retain Steven Kantor as the sole director of the Service Provider Member. Upon a termination of the Services Agreement by the Manager or the Company for Cause (as defined below), the Manager will pay the Service Provider Member all Services Fees due and payable (but not yet paid) as of the date of such termination and any unreimbursed expenses through the date of such termination.

For purposes of the Services Agreement, "***Cause***" means (a) fraud, criminal conduct, willful misconduct or gross negligence by the Service Provider Member, (b) the voluntary or involuntary bankruptcy or insolvency of the Service Provider Member, (c) a material breach of the Managing Placement Agent's exclusivity restrictions and (d) the termination of the Placement Agreement by the Company for an Issuer Cause Event (as defined in the Placement Agreement) or by the Managing Placement Agent, other than for a Dealer Manager Cause Event (as defined in the Placement Agreement), but excluding subsection (vii) of the definition of Dealer Manager Cause Event in the Placement Agreement.

Distributions Definitions:

Certain defined terms are included below. All other capitalized terms not defined in this section (Summary of Principal Terms - LLC Agreement) shall have the meaning set forth in the LLC Agreement.

"***IRR***" means, with respect to a Member, the annual compounded discount rate that results in a net present value equal to zero when the discount rate is applied to (i) all Capital Contributions funded by the applicable Member and (ii) all distributions of Available Cash made by the Company to the applicable Member with respect to such Capital Contribution pursuant to Section 4.1 and Section 9.2. The IRR shall be determined by assuming all applicable Capital Contributions and distributions are made on the date on which they are actually made. The calculation of IRR shall be performed using the XIRR formula in Microsoft Excel.

"***VX Member***" means VX 441 Vine Street KM LLC, a Delaware limited liability company.

Distributions of Cash Flow and Upon Liquidation:

Distributions of available cash flow may be made at any time as determined by the Manager in its sole discretion.

Cash Flow will be distributed to the Members in the following amounts and order of priority:

(a) First, 100% to the Investor Members, on a pro rata basis, until the Investor Members have each received distributions in an amount equal to their Capital Contributions.

(b) Second, 100% to the Investor Members, on a pro rata basis, until the Investor Members have each achieved an IRR equal to their respective Hurdle Rate, which calculation shall include distributions under clause (a).

(c) Third, (i) 80% to the VX Member and (ii) 20% to the Service Provider Member until the VX Member and the Service Provider Member have together received cumulative distributions in an amount equal to 20%

of all distributions to date (inclusive of such distributions to the VX Member and the Service Provider Member under this clause (c)).

(d) Fourth, (i) 16% to the VX Member, (ii) 4% to the Service Provider Member and (iii) 80% to the Investor Members on a pro rata basis.

Amounts distributed to the VX Member and Service Provider Member under clauses (c) and (d)(i)-(ii) above are sometimes referred to herein as the VX Member and Service Provider Member's "***Carried Interest***." Amounts distributed under clauses (b) and (c) may be calculated on an individual investor-by-investor basis due to differing Investor Member hurdle rates.

In the event of a termination of the Services Agreement for Cause, the Service Provider Member's Carried Interest in the Fund will be automatically transferred to the VX Member. However, the Service Provider Member will retain its Carried Interest in the event of a termination of the Services Agreement for Limited Cause.

Tax Distributions & Reserves:

The Company may, in the Manager's sole discretion, make distributions, as cash advances against regular distributions, (i) solely to the Manager and Service Provider Member or (ii) to all of the Members, in each case to the extent of available cash in an amount sufficient to satisfy each such Member's presumed income tax liability for such fiscal year attributable to its allocable share of the Company's items of profit and income ("***Tax Distributions***"). Any Tax Distributions will be credited against future distributions to which such Member (including the Manager and Service Provider Member) may be entitled. The Company does not intend to make a distribution with respect to the gain that will need to be recognized on December 31, 2026 (or such other applicable date if Code Section 1400Z-2(b)(1)(B) is amended) pursuant to Code Section 1400Z-2(b)(1), as described in "*Risk Factors — Risks Relating to Qualified Opportunity Zone Program —The Company may not have sufficient cash flow to make distributions before Members are required to file tax returns for the 2026 tax year*" on page 38.

The Manager will be entitled to withhold from any distributions amounts necessary to create, in its discretion, appropriate reserves for expenses, obligations, and liabilities of the Company as well as for any required tax withholdings.

Capital Accounts; Allocation of Income, Expenses, Gains and Losses:

The Company will maintain an account (a "***Capital Account***") for each Member. The Capital Account of each Member will be credited with the Capital Contributions of the Member and the Member's share of the taxable income of the Company and will be debited to reflect distributions to the Member and the Member's share of any net loss, and the Asset Management Fee (defined above on page 19 under "*Asset Management Fee*") chargeable to the Member. The Manager or another affiliate of the Manager will supervise the Capital Account allocations and the allocation of income, gains, losses, and deductions for tax purposes among the Members of the Company by the accountants in accordance with the LLC Agreement, which allocations will be made so as to cause the Capital Accounts of the Members to be at levels that equal their intended priority distributions described under "*Distributions of*

	Cash Flow and Upon Liquidation" above. These determinations, made in good faith by the Manager and the Company's tax advisors, will be final and binding on all Members (absent manifest error).
Operating Expenses:	The Company shall pay or reimburse all costs and expenses arising from the formation, organization, operation and administration of the Company, including all legal and accounting fees and insurance costs.
Organizational and Offering Expenses:	The Company will bear the organizational and start-up expenses associated with the formation of the Company and its pro rata share of the same for the Project Company and the Manager, including expenses relating to marketing the Company's Units to prospective Investors (including expenses for travel, meals, and entertainment incurred in connection with meetings with potential Investors). The Manager may at its discretion choose to pay for all or any portion of such organizational and offering expenses. In such event, the Manager may be reimbursed at a later date by the Company for such organizational and offering expenses borne by the Manager.
Withdrawal and Transfer:	Generally, Investors may not withdraw any capital from the Company without the prior written consent of the Manager, which consent may be withheld in the Manager's sole discretion. Investors also may not transfer any of their interest, rights, or obligations in and to the Company without the prior written consent of the Manager, which shall not be unreasonably withheld. The Manager shall not have any requirement to approve any withdrawal or transfer which could violate any applicable Opportunity Zone Regulations.
Right of First Refusal:	Generally, transfers are not allowed under Opportunity Zone Regulations. In the event an Investor receives an offer from a third party to acquire all or a portion of its Units, then it shall notify the Manager, specifying the Units to be purchased (the "***Transfer Interest***"), the purchase price, the approximate closing date, the form of consideration, and such other terms and conditions of the proposed transaction that have been agreed with the proposed purchaser. The Manager shall have the option to purchase (or cause an affiliate of the Manager or other entity(ies) to purchase) the entire Transfer Interest.
Reports and Meetings:	Each Member will receive annual audited financial statements for the Company prepared in accordance with U.S. generally accepted accounting principles ("***GAAP***"). In addition, each Member will be provided with the tax information reasonably necessary for the completion of federal, state, local, and foreign income tax returns. The Manager will furnish within a reasonable time period to any Member any additional information with respect to the Company reasonably requested by such Member; provided, that such information may be obtained by the Manager without unreasonable expense or burden and is for purposes reasonably related to such Member's interest as a Member.
Potential Conflicts of Interest:	There might arise instances where the interests of the Manager and its affiliates conflict with the interests of the Company and/or the Investors. Certain conflicts of interest are discussed further under "*Conflicts of Interest*" in this Memorandum beginning on page 32, including, for example, in the event that the Manager or its affiliates engage in business activities outside of the

operation of the Company and provide real estate-related services to the Company.

Limitation of Liability and Exculpation: To the fullest extent permitted by law, (i) the Manager and each of its affiliates and (ii) the officers, employees, and agents of the Company, acting within the scope of their authority (collectively, the "***Indemnitees***") shall not be liable, responsible or accountable in damages or otherwise to the Company or any Member for any loss, liability, damage, settlement cost, or other expense (including reasonable fees and expenses of attorneys and other advisors for any action or inaction in connection with their activities on behalf of the Company, or in connection with any involvement with the Project, the Project Company, or another investment of the Company, and legal and other costs and reasonable expenses of investigating or defending against any claim or alleged claim) (each, together with all related claims, actions, demands, lawsuits and arbitrations, a "***Loss***"), except to the extent that there has been a final non-appealable determination by a court of competent jurisdiction that such Covered Person (i) failed to act in good faith and in a manner such Covered Person reasonably believed to be in or not opposed to the best interests of the Company and (ii) engaged in fraud or willful misconduct (collectively, a "***Breach of Standard of Conduct***").

No Indemnitee shall have liability for acts taken in good faith upon the written advice of counsel that such acts were permissible under governing documents and applicable law, provided such counsel was selected with reasonable care. To the extent any decision or determination has been made in reliance in good faith upon such advice, such decision or determination shall be deemed to have been made without committing a Breach of Standard of Conduct.

Indemnification: To the fullest extent permitted by law, the Company will indemnify the Indemnitees against and in respect of any Loss; provided, that there has not been a determination by a court that the person seeking such indemnification committed a Breach of Standard of Conduct.

Dissolution: The Company may be dissolved only upon (i) the determination of the Manager to dissolve, or (ii) the entry of a judicial decree of dissolution.

In the case of any dissolution the Manager will apply the assets of the Company to satisfy the Company's liabilities and obligations to its creditors (whether by payment or the making of reasonable provision for their payment) prior to making any distributions to the Members. The remaining assets, if any, shall be distributed among the Members in accordance with the distribution priority set forth under "*Distributions of Cash Flow and Upon Liquidation*" above.

Risk Factors: Investment in the Company involves substantial risks and is suitable only for persons who have limited need for liquidity of their investment and no need for regular current income. Prospective investors should carefully consider the information provided in the "*Risk Factors*" section beginning on page 36 below.

Tax Considerations: The Company intends to be classified as a partnership and not as a corporation for U.S. federal income tax purposes. The Company generally will not be subject to federal income tax, and each Member will be required to include in computing its federal income tax liability its allocable share of the items of income, gain, loss, and deduction of the Company, regardless of whether any distributions have been made by the Company to that Member.

The taxation of partners and partnerships is extremely complex. Prospective investors must not construe the contents of this Memorandum as tax or legal advice. Each prospective Investor is urged to carefully consider the information provided in the "Material U.S. Federal Income Tax Considerations" section beginning on page 64 below and to consult with its tax advisor concerning the tax consequences of an investment in the Company with specific reference to the prospective Investor's particular situation

Important Notice to Non-U.S. Investors: The Company is intended for investors with substantive U.S. federal income tax liabilities. In general, Non-U.S. Investors can only make a Qualifying Investment (as defined below) in a QO Fund with respect to capital gain that is otherwise subject to federal income tax in their hands (e.g., gains that are effectively connected to a United States trade or business and capital gains from the disposition of a U.S. real property interest). The proceeds of such gain may already be subject to significant withholding under applicable United States federal income tax laws. Any prospective non-U.S. investor should consult its own tax and other advisors in determining the possible tax, exchange control, or other consequences to it of the purchase and ownership of Units in the Company under the laws of the jurisdictions of which it is a citizen, resident or domicile, in which it conducts business or in which it otherwise may be subject to taxation.

Currency: All Capital Contributions to the Company shall be made in U.S. dollars and all distributions from the Company, other than distributions of securities, shall be made in U.S. dollars.

Governing Law: Investors' rights and any disputes with the Company or the Manager are governed by the laws of the State of Delaware.

Legal Counsel: Troutman Pepper Hamilton Sanders LLP will act as counsel to the Company and certain of its affiliates. Troutman Pepper Hamilton Sanders LLP will not represent the Investors in connection with the Company.

Privacy Notice: Any and all nonpublic personal information received by the Company and the Manager with respect to Members that are natural persons, including the information provided to the Company by prospective Members in the Subscription Agreement, will not be shared with nonaffiliated third parties that are not service providers to the Company or the Manager without prior notice to such Members. See the Privacy Policy of the Company and the Manager beginning on page 97.

<u>Project Company LLC Agreement</u>

Investors will not hold membership interests directly in the Project Company. It is anticipated that substantially all of the proceeds from the sale of Units will be invested in the Project Company, which will be governed by the provisions of the Project Company LLC Agreement. While the Project Company LLC Agreement has not yet been finalized, a summary of the expected material terms of the Project Company is included below.

Project Company:	441 Vine Street QOZB LLC, a Delaware limited liability company, intends to qualify as a "qualified opportunity zone business" as defined in Code Section 1400Z-2(d)(3) ("***QOZB***").
Project Company Manager:	The Manager of the Company is also manager of the Project Company (previously defined as "***Project Company Manager***"). Project Company Manager will be responsible for managing the day-to-day business of the Project Company; provided, however, the approval of certain decisions requires the unanimous vote of the Project Company members (the "***Project Company Members***"), including the Company. The Project Company shall be managed by the Manager and no Project Company Member shall have any right to bind the Project Company in any manner. The Project Company Manager shall manage the Project Company's daily affairs but shall only have the right to make certain Major Decisions (as defined in the Project Company LLC Agreement) if the Project Company Manager receives prior written approval of a designated third-party investor in the Project Company. Furthermore, certain affiliate agreements may only be approved by such designated third-party investor.
Project Company Investment Strategy:	The Project Company has acquired, and expects to redevelop, operate, and eventually dispose of the Carew Tower Project, as defined on page 5 under "*Executive Summary — Company Investment*" and explained in further detail in <u>Appendix A</u>. The Project Company is expected to do so through an entity that is wholly owned by the Project Company and disregarded as being separate from the Project Company for federal income tax purposes. The Manager believes that the Company's interests in the Project Company will qualify as QOZ Property and that the Carew Tower Project will qualify as "qualified opportunity zone business property," as defined in Code Section 1400Z-2(d)(2)(D) ("***QOZBP***").
Initial Capital Contributions to Project Company:	The Project Company has previously accepted capital from third-party investors, some of which are affiliated with the Manager. It is further anticipated that the Company will make a cash capital contribution to the Project Company to enable the Project Company to pay for Carew Tower Project costs.

Additional Capital Contributions to Project Company Manager:	In the event the Project Company Manager determines, in its reasonable discretion, that the Project Company requires additional funds to complete the Carew Tower Project or pay other expenses, then Project Company Manager may (1) seek to raise such capital from one or more third-party lenders or equity investors, or (2) cause an affiliate of Project Company Manager to make a member loan to the Project Company per the terms outlined in the Project Company LLC Agreement attached hereto as Appendix C.
Project Company Manager Fees:	The Project Company Manager, or its designee, will be entitled to receive the following fees from the Project Company: • **Acquisition Fee**: An acquisition fee equal to $200,000. • **Development Management Fee**: A development management fee equal to $4,000,000. The Company's pro rata share (per its percentage ownership interest in the Project Company) of such development management fee paid by the Project Company shall be deducted from the Development Fee payable to the Manager by the Company to avoid duplicative payment of development fees. • **Property Management Fee**: A property management fee equal to 3% of gross revenues, calculated monthly, of the Carew Tower Project. • **Asset Management Fee**: A property-level asset management fee equal to 1% of gross revenues, calculated quarterly, of the Carew Tower Project.
Project Company Definitions:	Certain defined terms are included below. All other capitalized terms not defined in this section (*Summary of Principal Terms - Project Company LLC Agreement*) shall have the meaning set forth in the Project Company LLC Agreement. "***Available Cash***" means the amount, if any, by which the sum of all cash receipts of the Company prior to any applicable determination date (including, without limitation, all cash receipts realized from operations of the Company and all cash receipts from Capital Contributions and from the sale, financing and/or refinancing of the Company or its assets) exceeds the sum of (i) all cash disbursements of the Company prior to such determination date (including, without limitation, all costs and expenses of the Company, all Excess Company Loan payments and all distributions to the Members in their capacities as such) plus (ii) any reserve (including, without limitation, any reserve for capital expenditures and/or development of the Project) for anticipated cash disbursements provided for in the then-applicable Project Plan, Budgets or as approved by the AOZF Investor as a Major Decision (if required). "***KM Entity***" means VX 441 Vine Street KM LLC, a Delaware limited liability company.

"***Manager***" means 441 Vine Street Manager LLC, a Delaware limited liability company.

"***Operator***" means VX 441 Vine Street QOF LLC, a Delaware limited liability company.

"***Preferred Return***" means, as to each Member, beginning on the date of receipt of each portion of its Capital Contribution, an amount equal to an effective, annual, cumulative, preferred return of eight percent (8%), compounded annually, on the Capital Contribution of such Member, as determined from time to time, computed on the basis of the actual days elapsed over a 365-day year.

Distributions of Available Cash from Project Company:

At all times prior to the dissolution and final liquidation of the Project Company and distribution of the remaining Project Company assets, the Available Cash shall be determined and distributed to the Project Company Members in the following order of priority after (x) payment of the accrued and unpaid interest on, and the then-outstanding principal amount of, Post-Stabilization Loans, (y) if applicable, reducing the amount payable to any Non-Contributing Member by the amount of any Excess Company Loan and paying such amount to the Contributing Member making such loan (in each case pro rata to the Project Company Members making such loans based on their outstanding accrued and unpaid interest balance or outstanding principal amount, as applicable) and (z) if applicable, paying interest on any loans obtained from non-member entities or individuals:-

(a) First, to the Project Company Members, pro rata in accordance with their respective Preferred Return (i.e., 8% per annum, compounded annually) balances, until each Project Company Member's Preferred Return balance is reduced to zero;

(b) Second, to the Project Company Members, pro rata in accordance with their respective Project Company unreturned capital balances until each Project Company Member's unreturned capital balance is reduced to zero.

(C) Third, to the Project Company Members, pro rata in accordance with their respective Project Company percentage interests.

Project Company Tax Distributions:

The Project Company shall, to the extent of Available Cash from Project Company operations, make cash distributions to each Project Company Member (including the Project Company Manager) in an amount which, taken together with other distributions made to such Project Company Member during such period, are sufficient to pay such Project Company Member's combined estimated federal and state income tax liability on income allocated to such Project Company Member ("***Project Company Tax Distributions***"). Any Project Company Tax Distributions will be

	credited against future distributions to which such Project Company Member (including the Project Company Manager) may be entitled.
Project Company Capital Accounts; Allocation of Income, Expenses, Gains, and Losses:	The Company will maintain an account (a "***Project Company Capital Account***") for each Project Company Member. The Project Company Capital Account of each Project Company Member will be credited with the capital contributions of the Project Company Member and the Project Company Member's share of the taxable income of the Company and will be debited to reflect distributions to the Project Company Members (including the gross asset value of property distributed by the Project Company), and the Project Company Member's share of any net loss. The allocation of income, gains, losses, and deductions will be made so as to cause the Project Company Capital Accounts of the JV Members to be at levels that equal their intended priority distributions of Available Cash.
Withdrawal and Transfer:	Generally, Project Company Members may not withdraw any capital from the Project Company. Except for certain transfers to affiliates, Project Company Members also may not transfer any of their interest, rights, or obligations in and to the Project Company without the prior written consent of the Manager and the AOZF Investor.
Reports and Meetings:	Each Project Company Member will receive annual audited financial statements for the Project Company prepared in accordance with GAAP. In addition, each Project Company Member will be provided with the tax information necessary for the completion of federal, state, and local income tax returns. Upon written request from any Project Company Member, the Project Company Manager shall cause the Project Company to prepare and deliver to Members such additional financial and/or operations information or documentation as such member may reasonably request.
Indemnification and Exculpation:	Except as expressly provided in the Project Company LLC Agreement, none of the Project Company Members or their respective affiliates, members, partners, managers, officers, employees, or other representatives (collectively, "***Project Company Indemnified Persons***") shall be liable to the Project Company or any Project Company Member for any claims, damages, expenses, or other losses incurred by the Project Company or any Project Company Member except to the extent such losses are attributable to the Project Company Indemnified Person's gross negligence, criminal act or misconduct, bad faith, willful misconduct, fraud, unauthorized act, or breach of the Project Company LLC Agreement (each, a "***Project Company Breach of Conduct***"). The Project Company shall indemnify, hold harmless, and release the Project Company Indemnified Person against and from any losses, damages, claims, judgments, costs, expenses, or liability, including reasonable attorneys' fees, incurred by it or them as a result of any act or omission in connection with the operation of the business of the Project Company, except the Project Company is not required to indemnify a Project Company Indemnified Person to the extent the loss is attributable to a Project Company Breach of Conduct.

The indemnification of the Project Company Indemnified Persons is limited to and recoverable only out of the assets of the Project Company, and no Project Company Member shall be required to make a capital contribution with respect thereto.

Removal of the Project Company Manager: The AOZF Investor may remove the Project Company Manager upon Cause (as defined in the Project Company LLC Agreement).

Upon the occurrence of a Manager Removal Event (as defined in the Project Company LLC Agreement), the AOZF Investor may, but is not obligated to, (1) cause the Project Company to sell the Carew Tower Project and other assets of the Project Company or (2) convert the Project Company Manager to a special member which shall have the same financial interests in the Company as it had as Manager with respect to its Capital Contributions.

Promptly following the removal of the Project Company Manager, the AOZF Investor and holders of at least 50% of the interests (excluding the Project Company Manager) shall appoint a substitute manager of the Project Company.

Required Sale: Either the AOZF Investor or the Project Company Manager may cause the Project Company to sell the Project after the tenth (10th) anniversary of the last Capital Contribution made by any Project Company Member that is qualified as a QO Fund.

Dissolution: The Project Company may be dissolved upon the first to occur of (a) the sale, transfer or other disposition by the Company of all or substantially all of its assets and the collection by the Company of any and all proceeds; or (b) the affirmative written consent of the Manager and AOZF Investors to dissolve the Company.

In the case of any dissolution, Project Company Manager will apply the assets of the Project Company to satisfy the Project Company's liabilities and obligations to its creditors (whether by payment or the making of reasonable provision for their payment) prior to making any distributions to the Project Company Members. The remaining assets, if any, shall be distributed among the Project Company Members in accordance with the distribution priority set forth for Available Cash from Project Company described under "*Distributions of Available Cash from Project Company*"," as applicable.

Governing Law: Delaware

Further Information: Prospective Investors are invited to meet with the Manager for a further explanation of the terms and conditions of this Offering of the Units of the Company and to obtain any additional information they deem necessary to the extent the Manager possesses such information or can acquire it without unreasonable effort or expense. Requests for such information should be directed to:

441 Vine Street QOZB LLC
441 Lexington Avenue, 9th Floor
New York, New York 10017
Telephone: (212) 490-6160
Attention: Anoop Davé

Conflicts of Interest

The Manager will endeavor to ensure that any conflicts of interest are resolved fairly. The Manager is accountable to the Company as a fiduciary and, consequently, must exercise good faith and integrity in managing the Company's affairs and in resolving questions involving potential and actual conflicts of interest. This duty exists in addition to the various duties of, and limitations on, the Manager set forth in this Memorandum and the LLC Agreement. The Manager will endeavor to conduct the affairs of the Company in a manner fully consistent with its fiduciary obligations.

Other Investments and Activities

Conflicts of interest may arise from the fact that the Manager and its affiliates currently provide, and may in the future continue to provide, investment management services to clients other than the Company, including, without limitation, investment funds, separately managed accounts, and proprietary accounts (collectively, "***Other Accounts***"). The Company will not typically have a direct or indirect interest in any Other Accounts.

Other Accounts may have investment objectives, programs, strategies, and positions that are similar to or may conflict with those of the Company, or may compete with or have interests adverse to the Company. Such conflicts could affect the prices and availability of assets in which the Company invests. Even if an Other Account has investment objectives, programs, or strategies that are similar to those of the Company, the Manager may give advice or take action with respect to the investments held by, and transactions of, the Other Accounts that may differ from the advice given or the timing or nature of any action taken with respect to the investments held by, and transactions of, the Company due to a variety of reasons, including, without limitation, differences between the investment strategy, financing terms, regulatory treatment, and tax treatment of the Other Accounts and the Company. The Company was formed principally to invest in the Project. Such investment is expected to occur through the Project Company. Conflicts of interest may also arise when the Manager makes decisions on behalf of the Company with respect to matters where the interests of the Manager or one or more Other Accounts differs from the interests of the Company.

An affiliate of the Manager has an interest in another redevelopment property located at 7 West 7th Street, Cincinnati, Ohio 45202, which could be viewed as creating an additional conflict of interest in that the time and effort of the Manager, its affiliates, and personnel would not be devoted exclusively to the business of the Company. 7 West 7th Street will likely be a competitive property with regard to the Project's multifamily rental units.

Lack of Exclusive Time Commitment

The Manager, its affiliates, and personnel will devote as much of their time to the activities of the Company as they deem necessary and appropriate. The Manager, its affiliates, and personnel will not be restricted from forming Other Accounts, from entering into other investment advisory relationships, or from engaging in other business activities, even if such activities may be in competition with the Company and/or may involve substantial time and resources of the Manager, its affiliates, or personnel. As noted on page 26, the Manager's management team is the same as that of the Project Company. These activities could be viewed as creating a conflict of interest in that the time and effort of the Manager, its affiliates, and personnel will not be devoted exclusively to the business of the Company but will be allocated between the business of the Company and the management of Other Accounts and businesses.

Voting and Decision-Making

As noted on page 26 under "Management," the Manager's management team is the same as that of the Project Company. As non-managing members of the Project Company, affiliates of the Manager will have certain major decision rights (described in the Section of this Memorandum titled "*Management of the Project Company*" beginning on page 26). As a result, the Manager's management team will control both the day-to-day business decisions of the Company as well as certain business and operation decisions of the Project Company. This may present a conflict of interest on the part of the Manager's principals with respect to the making of business decisions as between the Company and the Project Company.

Investments by the Affiliates of the Manager in the Company and Other Accounts

Subject to applicable regulatory restrictions, one or more affiliates or personnel of the Manager may choose to personally invest, directly and/or indirectly, in the Company and/or Other Accounts. Any such person may be in possession of information relating to the Company and the Other Accounts that may not be available to other Members and prospective Members.

Transactions with the Manager or Affiliates of the Manager

The Manager may, in its sole but good faith discretion, engage affiliated or outside professionals and service providers on behalf of and at the expense of the Company (whether directly or indirectly through the Project Company). Such services may include, among others, brokerage, sales, leasing, property management, construction management, project management, property development (including local development), architectural/design management, grant or incentive (such tax credits) brokerage, and financing. In regards to property management, the Manager or its affiliate will receive up to a 4% property-level management fee in connection with the Project (which may be allocated between a property management fee and a property-level asset management fee). Such affiliated or outside professionals and service providers may include or employ friends or family members of the principals of the Manager.

When affiliates are engaged, the terms of such arrangements will be no less favorable to the Company than would be quoted or charged by a comparably qualified unaffiliated third party at the time such services are to be provided, and the fees will be no greater than the applicable affiliate would charge an unaffiliated third party for similar quality services in each case within the applicable market (metropolitan area) for arrangements of similar scale at the time such services are to be provided. Such affiliated service providers will be disclosed as part of the annual reporting to Members. No professional or other service provider will be disqualified from providing services to the Company, the Manager, or their affiliates by reason of the provision of services by such professional or service provider to the Manager, or their affiliates, whether or not related to the Company's business or other activities.

The Company or entities in which the Company invests may enter into business transactions directly or indirectly with affiliates of the Manager, including but not limited to the sale of assets to, the purchase of assets from, or the co-investment with, such other affiliates of the Manager, provided the transactions are disclosed to Members and the Manager has determined, in its good faith, that such transactions are in the best interests of the Company.

Furthermore, the Manager may cause the Project Company to apply for various federal, state, and/or local grants or incentives to assist in the redevelopment of the Project. In order to facilitate the receipt of such grants or incentives in the most tax efficient manner, the Manager may at times sell such grants or incentives (either directly or indirectly through an affiliate) for the benefit of investors or create legal structures involving additional entities affiliated with and/or controlled by the Manager or its principals. Certain investors may be ineligible to participate in particular incentive programs due to program-specific criteria for which other investors are eligible, potentially resulting in greater returns to the investors who are eligible to participate in any such programs.

In October 2021, affiliates of the Manager acquired the senior loan secured by the Project Property, which was initially originated by First Financial Bank (the "***FFB Loan***"), through affiliates of the Manager when the Project Property was owned by the previous owner. Subsequently, in August 2022, affiliates of the Manager (through the Project Company) acquired the equity ownership of the Project Property and assumed the FFB Loan at closing. The FFB Loan was paid off, including all accrued interest, in November 2023.

Diverse Investor Group

The Members may have conflicting investment, tax, and other interests with respect to their investments in the Company. In addition, the Company and its Members may have conflicting investment, tax, and other interests with respect to the Project Company and the Project. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Company, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Manager and its affiliates, including with respect to the nature or structuring of investments, that may be more beneficial for one investor or investor group than for another investor or investor group, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Company, the Manager will consider the investment and tax objectives of the Company and its Members as a whole, not the investment, tax, or other objectives of any Member individually.

Carried Interest

The existence of the VX Member and Service Provider Member's Carried Interest may create an incentive for the Manager to make riskier or more speculative decisions on behalf of the Company than would be the case in the absence of this arrangement. In addition, affiliates of the Manager may also receive carried interest distributions from the Project Company, which will face similar risks. Riskier actions on behalf of the Company or Project Company could result in the Company suffering a loss of capital on its investments, which in turn would adversely impact cash available for distribution to the Members and the value of an investment in the Company.

If distributions are made of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property as determined by the Manager in accordance with procedures set forth in the LLC Agreement. An independent appraisal generally will not be required and is not expected to be obtained.

For a description of the VX Member and Service Provider Member's Carried Interest, see "*Summary of Principal Terms — Distributions of Cash Flow and Upon Liquidation*" (page 21).

Legal Counsel

Troutman Pepper Hamilton Sanders LLP ("***TPHS***") represents the Manager in connection with the organization and operation of the Company and will continue to represent the Manager and the Company from time to time on ongoing matters. It does not represent the Investors, either individually or collectively, nor is it anticipated that the Company will engage its own separate counsel with respect to these matters. TPHS will not furnish Investors any legal opinions and has not passed upon the adequacy or accuracy of this Memorandum or the fairness of the disclosures herein. Prospective investors must consult with their own counsel with respect to these matters.

Guarantees by the Manager or Its Affiliates

In connection with the Project, the Manager or its affiliates may provide a completion guaranty and/or a performance guaranty. In addition, the Company will be required to indemnify such guarantor for its proportionate share of any losses incurred in connection with these guarantees. The Manager and its affiliates may therefore be motivated to make decisions regarding the extension, modification, and/or refinancing of the loan underlying the Project (or any other loan under which such a guarantee is provided), or to take risks it otherwise would not take without such indemnification. These decisions may be advantageous to the guarantor, but detrimental to the Company or its Members.

Manager's Role as the Partnership Representative in Audit Proceedings

The Manager will serve as the Company's "partnership representative" in administrative and judicial proceedings involving the IRS or other enforcement authorities. Because such proceedings may impact other entities for which the Manager may also serve as manager or sponsor, a conflict of interest may arise between the Company and such other entities. The Manager's positions taken during such proceeding may be advantageous to one or more of the other entities, but detrimental to the Company or its Members.

BY ACQUIRING UNITS IN THE COMPANY, EACH MEMBER WILL BE DEEMED TO HAVE ACKNOWLEDGED THE EXISTENCE OF THE ACTUAL AND POTENTIAL CONFLICTS OF INTEREST DESCRIBED IN THIS MEMORANDUM AND TO HAVE WAIVED ANY CLAIM ARISING FROM THE EXISTENCE OF ANY SUCH CONFLICT OF INTEREST.

Risk Factors

Prospective investors should be aware that an investment in the Company involves a high degree of risk. There can be no assurance that the Company's investment objective will be achieved, or that an Investor will receive a return of its capital. Investment in the Company is suitable only for persons of financial means who have no need for liquidity in their investments and can afford to lose all of their investment. The following risks should be carefully evaluated before making an investment in the Company.

The following does not purport to be a complete explanation of the risks involved in an investment in the Company. Prospective investors should read this Memorandum, the LLC Agreement and the Subscription Agreement in their entirety and consult with their own advisors before deciding whether to invest in the Company.

Risks Relating to Qualified Opportunity Zone Program

References in this section to the benefits of the QOF Regulations (as defined below) for Members is in reference to Members only to the extent that a Member has made its investment on account of capital gain arising from a transaction with an unrelated party and that is intended to be deferred pursuant to the QOF Regulations (such investment a "*Qualifying Investment*", as defined in more detail below in Material U.S. Federal Income Tax Considerations—Qualified Opportunity Zone Program; Qualified Opportunity Funds, on page 65). To the extent a Member makes an investment not derived from such a transaction, the benefits addressed in this section in connection with a Qualifying Investment in a QO Fund will not be available.

Provisions of the Code that provide tax benefits from investment in Opportunity Zones are subject to uncertainties. The QOF Regulations were relatively recently enacted as part of the 2017 Tax Act (defined above on page 13), with final United States Treasury regulations published in 2020, and market practices for structuring a QO Fund are still developing. The requirements for an entity to qualify as a QO Fund and for its investors to be eligible for the tax benefits of the QOF Regulations are complex, and while the IRS has issued final Treasury regulations, certain aspects of the QOF Regulations remain unclear. Moreover, it is uncertain whether, and when, additional guidance will be forthcoming Final Treasury regulations were published in the Federal Register on January 13, 2020 and were effective for taxable years beginning after March 13, 2020.

Because the QOF Regulations are relatively new, their application remains uncertain and the IRS may continue to offer additional guidance or clarification with respect to the application of the QOF Regulations (possibly with retroactive effect). As such, the tax rules applicable to investments in QO Funds are subject to change and any such change may affect the Company's ability to structure portfolio investments in a way that maximizes the QOF Benefits for Members.

The Risk Factors below set out some of the more significant uncertainties regarding the interpretation and application of the QOF Regulations. In light of these significant uncertainties, each prospective Investror in the Company is urged to consult their own tax advisors regarding the Company's qualification as a QO Fund, whether the prospective Investor can expect to enjoy the tax benefits of the QOF Regulations and the advisability of making an investment in the Company.

PROSPECTIVE INVESTORS ARE STRONGLY ENCOURAGED TO CONSULT THEIR TAX ADVISORS REGARDING AN INVESTMENT IN THE COMPANY, PARTICULARLY WITH RESPECT TO THE APPLICATION OF THE QOF REGULATIONS TO THEIR INVESTMENT IN THE COMPANY.

If the offering terminates, prospective Members may no longer be eligible to benefit from the Code Section 1400Z-2 tax incentives.

If the Manager terminates the offering for any reason, the Manager will return any subscriptions to the appropriate Investors. Prospective Members desiring to take advantage of the QOF Benefits should be aware that they are particularly vulnerable if the offering terminates, as a prospective Member may no longer be eligible to make an election pursuant to Code Section 1400Z-2(a). If the Company returns subscriptions to a potential Member more than 180 days after such Member would have otherwise recognized the gain from the sale or exchange of its property to an unrelated party had the Member not reinvested such gain in a QO Fund, then the Member will be unable to reinvest such gain in another QO Fund and benefit from the tax incentives under Code Section 1400Z-2.

A Member intending to qualify for the benefits of the QOZ Regulations must satisfy certain requirements.

A Member desiring to qualify for the QOF Benefits must generally (i) invest capital gain into the Company from the sale or exchange of property to an unrelated party within 180 days of the date on which the gain from such sale or exchange would be recognized for federal income tax purposes (as required by Code Section 1400Z-2(a)(1)(A)) and (ii) make a timely, affirmative election as described under Code Section 1400Z-2(a)(1). The Company has no control over whether a Member complies with such requirements and will rely upon the representations of such Member of its compliance. Non-U.S. Investors desiring to qualify for the QOF Benefits are subject to additional requirements and limitations. Investors should consult their own advisors with respect to the method and timing of making such elections. A Member must hold its interest in the Company for at least ten (10) years to be eligible for all the QOF Benefits.

The QOZ Regulations provide significant tax incentives to Members who hold their investment in the Company for at least ten (10) years including possibly permanently excluding gain attributable to the appreciation of the Company's assets. If a Member sells its interest in the Company (its "***Interest***") prior to the end of such ten-year holding period, such Member will not be eligible to receive all of the QOF Benefits, in particular, the Appreciation Benefit would not be available. In addition, depending on when a Member invests in the Company and when the Company dissolves, a Member may lose its eligibility to elect to permanently exclude capital gains on the Company's appreciation. As a result, Members may disagree with the timing of liquidation of investments and dissolution of the Company.

Certain deemed distributions may result in the recognition of gain that was intended to be deferred as a result of an investment in the Company.

Some Investors may retain a registered investment advisor ("***RIA***") to manage the Investor's money and coordinate placement of it in the Company, or may retain a broker-dealer that manages the Investor's investments through fee-based programs (i.e., "wrap accounts") and coordinates placement of an investment in the Company. Such broker-dealers, together with RIAs, are referred to as "***Fee-Based Advisors***." If other assets managed by Fee-Based Advisors are unavailable to pay the Fee-Based Advisors their advisory fees, then, upon request from such Fee-Based Advisors, the Company may pay advisory fees based on the Investor's investment in the Company. The payment of these advisory fees will be considered either a return of capital or an advance against future distributions from the Company on behalf of such Investors. In either case, however, such a deemed distribution may be characterized as a return of the Investor's capital investment where the Investor does not otherwise have any basis in his Units. In such situation, it is likely that the Investor will be required to report the amount of such advisory fee payments as taxable gain, reducing the amount of the Investor's eligible investment in the Company under the QOF

Regulations. Furthermore, because such deemed distribution will be paid to the Fee-Based Advisor, the Investor will not receive cash that can be used to pay the resultant tax liability.

There can be no assurance that the Company will satisfy the 90% Asset Test, and the Company may be subject to penalties for failing to satisfy the 90% Asset Test.

Code Sections 1400Z-2(d)(1) and (f) provide that at least 90% of a QO Fund's assets must be QOZ Property (the "***90% Asset Test***") determined by the average of the percentage of the QO Fund's QOZ Property on the last day of the first six-month period of the QO Fund's taxable year and on the last day of the QO Fund's taxable year. The "90% Asset Test" means 90% of the Company's assets are QOZ Property, as measured by the average of the percentage of QOZ Property held by the Company as of June 30th and December 31st of each calendar year (except for the Company's first taxable year, for which the 90% Asset Test measuring dates the six-month anniversary of the Company's election to be a QO Fund and December 31 of its first taxable year, unless such election to be a QO Fund occurs after June 30, in which case the only measurement date in the Company's first taxable year would be December 31).

Although the Manager will use commercially reasonable efforts to cause the Company to satisfy the 90% Asset Test, there can be no guarantee that the Company will do so. If the Company fails to satisfy the 90% Asset Test, the Company will be subject to monthly penalties.

Any penalty to which the Company is subject will be borne by and allocated to the Members. If the Company has sufficient funds and it would not be disadvantageous from a tax perspective to the Company or its Members, both to be determined in the Manager's sole and absolute discretion, then the Company may make a distribution to the Members up to the amount of the penalty allocated to the Members. There can be no guarantee that the Company will have sufficient capital to make such distribution, however. Moreover, neither the Manager nor its affiliates will have any obligation to indemnify the Members for paying such penalties.

The Company may be particularly susceptible to adverse market conditions in QO Zones.

The Project is located in a QO Zone, and future investments (if any) of the Company are likely to be located in one or more QO Zones. Because QO Zones are limited to specifically designated low-income census tracts and contiguous tracts, the Company's investments may be limited in value and appreciation. To the extent the Company's investments are not diversified, we may be more susceptible to adverse market conditions in one or more applicable QO Zones. Adverse economic developments in the QO Zones in which the Company invests could materially and adversely affect the Company.

The Company may not have sufficient cash flow to make distributions before Members are required to file tax returns for the 2026 tax year.

Members who timely invest in the Company capital gain from the sale or exchange of property to an unrelated party and elect to defer the recognition of such gain pursuant to Code Section 1400Z-2 will be required to include in income such deferred gain no later than the Member's tax year ending December 31, 2026. The Company is not required to, and does not intend to, make a special tax distribution to Members to cover any portion of such tax liability. Since the interests in the Company are not liquid and the life of the Company is expected to extend past this date, each Investor should have access to financial resources outside of the Company in order to pay these taxes. Failure to pay such taxes may result in interest and penalties due to the IRS.

It is unknown what tax rate will apply to capital gain that is deferred through reinvestment in a QO Fund

Members will be required to include in income the deferred capital gain reinvested in the Company in connection with a Qualifying Investment on the earlier to occur of the date on which the Member disposes of such Member's investment in the Company (or some other inclusion event takes place) or December 31, 2026. The tax rate applicable to the deferred gain will be the tax rate in effect for the year of recognition. Tax rates may change between the year the deferred gain is reinvested in the Company and the year in which such gain must be recognized. Therefore, the reinvested gain may ultimately be taxed at higher tax rates than those in effect in the year the Member initially realized such gain (i.e., the year the gain was invested in the Company).

The Company may fail to certify as a QO Fund or may be decertified as a QO Fund.

An eligible taxpayer self-certifies itself as a QO Fund by completing the IRS Form 8996 and attaching the form to the taxpayer's timely filed (including extensions) federal information return for the taxable year. If the Company fails to complete and attach the self-certification form for any taxable year, or if the Company fails to timely file (including extensions) its federal information return, then the Company may not qualify as a QO Fund for the applicable taxable year.

Although the IRS has not issued guidance with respect to this issue, if the Company fails to qualify as a QO Fund as a result of its failure to self-certify, or if the Company engages in conduct that leads to its decertification as a QO Fund, the Members will most likely be substantially and adversely impacted. For example, if a Member invests in the Company in Year 1, the Company qualifies as a QO Fund in Years 1-8, but the Company fails to qualify as a QO Fund in Year 9, the Member may be ineligible to make the election to permanently exclude gain attributable to the appreciation of the Company after holding their interest in the Company for 10 years.

The Company's investments may not qualify as QOZ Property.

The IRS may contend the Company's investments do not qualify as QOZ Property. As described above on page 38 (There can be no assurance that the Company will satisfy the 90% Asset Test, and the Company may be subject to penalties for failing to satisfy the 90% Asset Test), the Company will be subject to monthly penalties if it fails to satisfy the 90% Asset Test. Any penalty to which the Company is subject will be borne by and allocated to the Members.

The Company may invest in businesses that fail to qualify as QOZ Property.

The Company may invest in "qualified opportunity zone stock" or "qualified opportunity zone partnership interests." Code Sections 1400Z-2(d)(2)(B) and (C) provide that at the time a QO Fund acquires such interest, the corporation or partnership, as the case may be, must either already be a "qualified opportunity zone business," as defined in Code Section 1400Z-2(d)(3) ("***QOZB***") or, in the case of a new corporation or partnership, must have been organized for the purposes of constituting a QOZB.

In addition, Code Sections 1400Z-2(d)(2)(B)(i)(III) and (C)(i)(III) provide that for a corporation or partnership to qualify as QOZ Property, during "substantially all" of the QO Fund's holding period for such interest, such entity must qualify as a QOZB. Code Section 1400Z-2(d)(3) provides that a QOZB means, in part, that "substantially all" of the tangible property owned or leased by the QOZB be "qualified opportunity zone business property," as defined in Code Section 1400Z-2(d)(2)(D) ("***QOZBP***"). The term "substantially all" for this purpose (i.e., when referring to a QOZB being a trade or business where "substantially all of the tangible property owned or leased" by the QOZB in question is QOZBP) means at least 70%.[11] If a QOZB in which the Company invests, including the Property Company, fails to meet this test, all of the Company's investment in the QOZB would be expected to be disqualified for purposes of the 90% Asset Test.

If an entity in which the Company invests does not qualify as a QOZB, then the Company may fail to satisfy the 90% Asset Test. As described above on page 38, if the Company fails to satisfy the 90% Asset Test, the Company will be subject to monthly penalties. Any penalty to which the Company is subject will be borne by and allocated to the Members.

One or more of the Company's investments may lose QOZ Property status as a result of a business no longer qualifying as a QOZB.

As described above, the Company may invest in "qualified opportunity zone stock" or "qualified opportunity zone partnership interests" (and the Manager anticipates that the interests in the Project Company will qualify as "qualified opportunity zone partnership interests") that satisfy, or are reasonably expected to satisfy, the definition of QOZB. The Company will not have meaningful control over such QOZB, and as a result, a business initially satisfying the definition of QOZB may lose such designation if "substantially all" (i.e., at least 70%) of its owned or leased tangible property is not QOZBP. If the business in which the Company invests (including the Project Company) no longer satisfies the definition of a QOZB, then the Company may cease to satisfy the 90% Asset Test. As described above on page 38, if the Company fails to satisfy the 90% Asset Test, the Company will be subject to monthly penalties. Any penalty to which the Company is subject will be borne by and allocated to the Members.

The interplay of partnership tax rules and the QOZ Program rules may produce unintended adverse results.

The Company is expected to operate as a partnership for federal income tax purposes. Partnership tax rules are very complex and the interplay between the partnership tax rules and the tax benefits provided by and rules set forth in the QOF Regulations remain unclear in some respects, and could produce unexpected negative results to the Investors. While the Manager will use its best efforts to structure Company investments for tax efficiency for the Investors in working with its legal and tax counsel and accountants, there nevertheless may be unintended adverse tax consequences experienced by Members.

The QOF Regulations could change.

As noted above, the QOF Regulations were enacted relatively recently, and relevant Treasury regulations were finalized in 2020. Moreover, it is uncertain whether (and when) additional guidance or clarification may be issued by the IRS and/or state taxing authorities (which may take the form of changes to the existing Treasury Regulations, revenue rulings, revenue procedures, notices or otherwise) that interprets and implements the QOF Regulations. Such additional guidance (if any) may cause the Manager to amend the Company's LLC Agreement. There is no guarantee that all Members would view any such changes as beneficial to them. Nonetheless, the Manager has broad authority to amend the LLC Agreement in such manner as will reflect the QOF Regulations.

Risks Relating to Income Tax Matters

---

[11] Notably, this 70% threshold only applies in this context and does not apply to the four other places within Code Section 1400Z-2 where the term "substantially all" is used.

Certain U.S. federal income tax considerations applicable to this Offering by the Company are summarized below under "*Material U.S. Federal Income Tax Considerations*" beginning on page 64 of this Memorandum. In addition, there are specific risks related to the QOZ Program, see "*Risks Relating to Qualified Opportunity Zone Program*" beginning on page 36 of this Memorandum. This discussion under this "Risks Relating to Income Tax Matters" section and the discussion in the aforementioned sections do not take into account any prospective Member's particular financial or tax situation and assume that each prospective Member is sophisticated in tax matters or has retained its own tax advisors regarding possible U.S. federal, state, and local and foreign tax consequences of an investment in the Company.

THERE ARE TAX RISKS INVOLVED WITH INVESTING IN INTERESTS (DEFINED ON PAGE 64). THE TAX CONSEQUENCES ARE COMPLEX AND WILL NOT BE THE SAME FOR ALL MEMBERS. PROSPECTIVE INVESTORS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS BEFORE INVESTING IN INTERESTS TO DETERMINE THE TAX EFFECTS OF AN INVESTMENT IN THE COMPANY, ESPECIALLY IN LIGHT OF THEIR PARTICULAR FINANCIAL SITUATIONS. THE FOLLOWING IS A DISCUSSION OF SOME OF THE MORE SIGNIFICANT TAX RISKS ASSOCIATED WITH INVESTING IN INTERESTS, BUT IT IS NOT EXHAUSTIVE.

The Company intends to be taxed as a partnership for federal income tax purposes.

The Company has not requested a ruling from the IRS or an opinion of legal counsel as to any tax matters, including whether the Company will be treated as a partnership (and not as an association taxable as a corporation) for U.S. federal income tax purposes. If the Company were to be treated as a corporation rather than as a partnership for U.S. federal income tax purposes, the Company itself would be taxed on its taxable income at corporate tax rates, there would be no flow-through of items of Company income, gain, loss or deductions to the Members, and Company distributions generally would be taxable as dividends. Under present laws and regulations, and judicial interpretations thereof, the Manager believes that the Company will be classified as a partnership for federal income tax purposes. Each Member must take into account its allocable share of the partnership items of the Company, whether or not any cash is distributed and, as a result of various limitations imposed by the tax laws, such Member may be unable to currently deduct its allocable share of Company expenses and capital losses, if any. Furthermore, federal, state and local tax laws are subject to change, and Members could incur substantial tax liabilities as a result of such changes. Finally, various aspects of income taxation, including federal, state, and local taxation and the alternative minimum tax, produce tax effects that can vary based on each taxpayer's particular circumstances.

Company expenses may not be deductible.

The IRS could challenge the deductibility of expenses the Company incurs, including the Asset Management Fee, for several reasons, including that those expenses constitute capital expenditures that, among other things, should be added to the Company's cost of acquiring its investments and amortized over a period of time or held in suspense until the Company liquidates or dissolves. In addition, under the 2017 Tax Act (defined above on page 13), certain expenses the Company incurs and certain expenses of any real estate investment that is treated as a partnership for federal income tax purposes, may constitute "miscellaneous itemized deductions," the deductibility of which by individual taxpayers is prohibited by the 2017 Tax Act for tax years beginning in 2018 through 2025.

Members may have taxable income in excess of cash distributions.

Members will be required to report their allocable share of the Company's taxable income on their individual income tax return regardless of whether they have received any cash distributions from the

Company. It is possible that Members will be allocated taxable income in excess of their cash distributions, thereby producing "phantom income." The LLC Agreement provides that, at the Manager's election, the Company can make special tax distributions to the Members in an amount up to the presumed tax liability of the Members attributable to their investment in the Company, which amount would be expected to be sufficient to pay the combined estimated federal and state income tax liability of the Members resulting from such allocations. The Company cannot assure Members, however, that cash flow will be available for distribution in any year. As a result, Members may have to use funds from other sources to pay their tax liability attributable to their investment in the Company.

The Company would be subject to corporate level taxation if the Company is treated as a publicly traded partnership.

No transfer of Interests in the Company may be made if it would result in the Company being treated as a publicly traded partnership under the Code. The Manager may impose time-delay and other restrictions on recognizing transfers as necessary to prevent the Company being treated as a publicly traded partnership under the Code. If the Company inadvertently became a publicly traded partnership under the Code, it would be subject to corporate level taxation, resulting in double taxation of the Company's income.

Members may have an obligation to pay audit adjustments even after they are no longer Members in the Company.

The Company and Project Company, like all entities classified as partnerships for federal income tax purposes, is subject to a risk of audit by the IRS. If the IRS makes audit adjustments to the federal income tax returns of a partnership, the IRS may assess and collect any taxes (including any applicable penalties and interest) resulting from the audit adjustment directly from the partnership, regardless of changes in the composition of the partners (or their relative ownership of the partnership) between the year under audit (the "***Reviewed Year***") and the year of the adjustment. The partnership audit rules include an elective alternate method pursuant to which the Company (and Project Company) may make an election to require each person who was a Member in the Company (or member in the Project Company, as applicable) during a Reviewed Year to personally bear any tax, interest, and penalty resulting from audit adjustments, regardless of whether such person is no longer a Member in the Company (or member in the Project Company). Furthermore, if the Company is unable (or otherwise fails) to make this election and becomes subject to an entity-level tax, the LLC Agreement provides that each Member agrees to bear its proportionate share of the liability if such person was a Member during the Reviewed Year, even if such person is no longer a Member of the Company at the time the entity-level tax is levied. Accordingly, if a Member transfers its Interest in the Company, the Member may still be obliged to pay any tax losses. The Project Company LLC Agreement contains a similar provision. As a result, if an entity-level tax is levied upon the Project Company, then a Member may still be obligated to pay any tax losses even if the Company no longer owns an interest in the Project Company or if a Member transfers its Interest in the Company.

Members may receive no benefit from their share of the Company's tax losses.

Members will be allocated their pro-rata share of the Company's tax losses. Code Section 469 limits deductions for losses attributable to passive activities, which are defined generally as activities in which the taxpayer does not materially participate. Any of the Company's tax losses allocated to investors will be characterized as passive losses, and accordingly, the deductibility of such losses will be subject to Section 469 limitations. Losses from passive activities are generally deductible only to the extent of a taxpayer's income or gains from passive activities and will not be allowed as an offset against other income, including salary or other compensation for personal services, active business income or "portfolio income," which includes non-business income derived from dividends, interest, royalties, annuities, and gains from the sale of property held for investment. Accordingly, Members may receive no current benefit from their share of the Company's tax losses unless they are currently being allocated passive income from other sources.

Members could be required to report greater taxable income or less taxable loss with respect to an investment in the Company if the Company's allocations are not respected.

The IRS may successfully challenge the allocations in the LLC Agreement and reallocate items of income, gain, loss, deduction, and credit in a manner that reduces anticipated tax benefits. The tax rules applicable to allocation of items of taxable income and loss are complex. The ultimate determination of whether allocations adopted by the Company will be respected by the IRS will depend upon facts that will occur in the future and that cannot be predicted with certainty or completely controlled by the Company. If the allocations of the Company are not respected, Members could be required to report greater taxable income or less taxable loss with respect to an investment in the Company and, as a result, pay more tax and associated interest and penalties. Members might also be required to incur the costs of amending their individual income tax returns.

Tax-exempt Members may have unrelated business taxable income ("UBTI").

The Company's operations may generate UBTI (generally subject to tax at corporate rates) for tax-exempt investors. The Manager is not required to structure the Company's operations to reduce or eliminate UBTI for any tax-exempt investors. In addition, the Manager is not required to attempt to minimize unrelated debt-financed income associated with the use of leverage (which is treated as UBTI under the Code). Accordingly, an investment in the Company may not be appropriate for tax-exempt organizations.

A significant portion of the Company's income and gain from U.S. investments may be treated as effectively connected income.

It is anticipated that the Company will be deemed to be engaged in a U.S. trade or business for U.S. federal income tax purposes. As a result, income of the Company may be treated as effectively connected with such trade or business for such purposes, and a foreign investor holding a direct interest in the Company will be subject to federal income tax each year on its distributive share of the taxable income of the Company that is deemed to be "effectively connected" with a U.S. trade or business and will be required to file a U.S. federal income tax return, as if such investor were a U.S. citizen or resident. A foreign individual who directly invests (without the use of a "blocker" entity) in the Company would also (i) be subject to U.S. (and potentially state) estate tax with respect to the value of his or her interest in the Company and (ii) have to file state tax returns in states in which the Company and its subsidiaries do business. In addition, regardless of whether the Company's activities constitute a trade or business, under provisions added to the Code by the Foreign Investment in Real Property Tax Act of 1980 ("***FIRPTA***"), gain derived by the Company from the disposition of U.S. real property interests (including interests in certain entities owning U.S. real property interests) is generally treated as effectively connected income. Foreign investors that invest in the Company should be aware that a significant portion of the Company's income and gain from U.S. investments may be treated as effectively connected income and thus may cause the foreign investors to be subject to filing obligations and the payment of U.S. federal income tax (and possibly state and local income tax) with respect to their share of such income and gain. The Company has no obligation to minimize effectively connected income.

Members will be required to obtain tax return filing extensions.

It is likely that the Company will not be able to provide final Schedules K-1 to the Members for any given fiscal year until after the original due date for such Member's tax return. The Manager will endeavor to provide Members with estimates of the taxable income or loss allocated to their investment in the Company on or before such date. Any estimates provided to the Members may be different from the actual final tax information, and such differences could be significant. If a Member chooses not to file an extension, such differences could result in interest and penalties to the Member due to underpayment of taxes or loss of use of funds for an extended period of time due to overpayment of taxes. To avoid such an adverse result, Members will be required to obtain extensions of the filing date for their income tax returns at the federal, state and local levels.

The Company has not sought, and will not seek, any rulings from the IRS.

The Company will not seek rulings from the IRS with respect to any of the federal income tax considerations discussed in this Memorandum. Thus, positions to be taken by the IRS as to tax consequences could differ from positions taken by the Company.

Members may be subject to state taxation and the Company may be required to withhold state taxes.

This Memorandum generally does not address the state and local tax consequences of an investment in the Company, and prospective Members again are urged to consult their own advisors with respect thereto.

It should be noted that Members may be subject to state and local taxes and may be required to file returns in the jurisdiction in which the Company may be deemed to be doing business or own property or in which its income is otherwise sourced. An investment in the Company could subject a Member to taxation by such a state on non-partnership income as well. Some states require the Company to withhold state taxes on Company income sourced in such state to the extent allocable to nonresidents (which amounts so withheld from a Member will be treated as Company distributions to such Member). The foregoing taxation may also be in addition to taxation by the Member's state of residence (which may grant a tax credit for taxes paid in other states). Moreover, the Company itself may be subject to entity-level taxation in certain jurisdictions if it is considered to be engaged in business therein.

The Manager shall have the right, but not the obligation, to file composite state tax returns for the benefit of Members that elect to participate in the filing of such returns (the cost thereof, but not the state tax withholding, will be a Company expense). If the Manager does not file a composite state tax return, or if the Manager does file a composite state tax return but Members elect not to participate in such returns, Members may have to file tax returns in multiple jurisdictions.

Legislative or regulatory action could adversely affect the returns to Members.

In the last several years, numerous legislative, judicial, and administrative changes have been made in the provisions of the federal income tax laws applicable to investments similar to an investment in the Units. In particular, the 2017 Tax Act (defined above on page 13) includes sweeping changes to U.S. tax laws and represents the most significant changes to the Code since 1986. Additional changes to the tax laws are likely to continue to occur, and the Company cannot assure Members that any such changes will not adversely affect their taxation, the investment in the Units or the market value or the resale potential of the Company's properties. Members are urged to consult with their own tax advisor with respect to the impact of past legislation, including the 2017 Tax Act, on their investment in the Units and the status of legislative, regulatory, or administrative developments and proposals and their potential effect on an investment in the Company.

None of the Manager and its affiliates, or Troutman Pepper Hamilton Sanders LLP are providing tax advice to prospective investors. All statements contained in this Memorandum concerning the federal income tax consequences of any investment in the Company are based upon existing law and the interpretations thereof. Therefore, no assurance can be given that the currently anticipated income tax treatment of an investment in the Company will not be modified by legislative, judicial, or administrative changes, possibly with retroactive effect, to the detriment of the Members.

Risks Relating to an Investment in the Company

An investment in the Company and an indirect investment in the Project involve a high degree of risk, including the risk that the entire amount invested may be lost.

The Company's investment program may not be successful. Furthermore, the Company may utilize such investment techniques that can, in certain circumstances, substantially increase the adverse impact to which the Company's investment portfolio may be subject. An Investor could incur substantial, or even total, losses on an investment in the Company. The Units are only suitable for persons willing to accept this high level of risk.

The Company has no operating history by which an investor can evaluate its future performance.

The Company is a newly formed entity that does not have any prior operating history of its own for prospective investors to evaluate prior to making an investment in the Company. Although the principals of the Manager have extensive prior investment management experience, the Manager is a newly formed enterprise without a prior history in managing or administering a fund. The Company's investment program should be evaluated on the basis that there can be no assurance that the Manager's assessment of the short term or long term prospects of investments will prove accurate or that the Company will achieve its investment objective. Additionally, the Manager and its affiliates (including the principals) have limited experience operating a QO Fund similar to the Company. See "*Risks Relating to Qualified Opportunity Zone Program — The Manager has limited experience with the QOZ program or investments and investments made in compliance with the QOF Regulations*" below (page 49).

The prior investment performance of investments sponsored by affiliates of the Manager is not necessarily indicative of future results.

The performance of prior investments by the investment professionals of the Manager and its affiliates is not necessarily indicative of the Company's future results. While the Manager intends to make investments that have potential returns commensurate with the risks undertaken, there can be no assurance that the targeted returns will be achieved. On any given investment, total loss of the investment is possible.

Investors will have little or no input on how the Company and Project Company are managed, increasing the risk that the Manager may take action an Investor finds unfavorable.

The Manager will have exclusive responsibility for the Company's activities, and, other than as may be set forth herein, Investors will not have an opportunity to evaluate or approve specific investments, or any particular type or category of investment, prior to the Company's investing, and will not have the ability to make any other decisions in the management of the Company. Similarly, the Project Company Manager will have exclusive responsibility for the Project Company's activities, subject to major decisions regarding the operation of the Project Company and the ability of the certain members of the Project Company, to remove the Project Company Manager as the Project Company's manager. See "*Summary of Principal Terms — Project Company LLC Agreement — Removal of the Project Company Manager*" on page 30. Decisions with respect to the Company's management will be made exclusively by the Manager, who will have wide latitude within the broad investment guidelines in determining the types of assets it may decide are proper investments for the Company. Similarly, subject to the major decisions and removal rights, decisions with respect to the Project Company's management will be made by the Project Company

Manager. The success of the Company and Project Company will depend in large part upon the skill and expertise of the Manager and the Project Company Manager, respectively.

Accordingly, no person should subscribe for Units unless such person is willing to entrust all aspects of the Company's management to the Manager.

A loss of one or more key members of the Manager's management team could materially adversely impact an investment in the Company.

The success of the Company is substantially dependent on the efforts of each of Anoop Davé and Timothy Gordon. Should one or more of these individuals become incapacitated or in some way cease to participate in the Company, its performance could be adversely affected. No assurance exists that a suitable replacement could be found if one or more of these individuals becomes unavailable for any reason. Moreover, there can be no assurance that the individuals' abilities, effort, and prior success will continue for the life of the Company.

The Manager may change the Company's investment strategy without Member approval, which could alter the nature of Members' investments.

The Company's investment strategy and the Manager's other objectives, policies and procedures with respect to the Company may be altered without the approval of the Members. As a result, the nature of the Members' investment could change without the Members' consent.

Investors will have limited liquidity because of restrictions on the ability to transfer Units or withdraw from the Company.

The Units are being offered and sold only to a limited group of accredited investors who represent that they are acquiring the interests for investment for their own account and not for resale. The Units have not been and will not be registered under the Securities Act or applicable state securities laws and may not be resold unless an exemption from such registration is available. The Company is not under any obligation to cause such an exemption (whether pursuant to Rule 144 under the Securities Act or otherwise) to be available. Accordingly, there is no secondary market for the Units and such market is not expected to develop. Transfer of the Units is also subject to numerous restrictions set forth in the LLC Agreement and in the Subscription Agreement. Investors will not have any right to transfer their Units without the consent of the Manager and except as set forth in the LLC Agreement, and may not withdraw from the Company or require the Company to redeem or repurchase their Units.

The Units are illiquid and, even if the Manager consents to a transfer, would be difficult to sell.

No market exists for the Units, and none is expected to develop. Investment in the Company requires a long-term commitment, with no certainty of return. An investment in the Company is suitable only for certain sophisticated investors who have no need for liquidity in their investment in the Company.

The Company may not generate sufficient cash, or the Manager may determine it is not advisable, to make distributions, which can adversely impact cash distributions and the value of an investment in the Company.

The amount and timing of distributions will generally be at the discretion of the Manager. There may be little or no near term cash flow available to the Members. Distributions to the Members may be delayed as a result of payment of the Company's obligations (including payment of fees). A portion of the Company's net income will be required to be paid to the Manager, and the Company's income and gain, if any, will be further burdened by appropriate reserves and by administrative and other costs. As a result, Members may be credited with profits, and income tax liability may be incurred, even though Investors of the Company do not receive any distributions from the Company. In addition, the Manager will take into account the requirements of the QOZ Regulations in determining when and whether, and from what sources, to allow the Company to make distributions. These determinations of the Manager shall be conclusive and binding upon the Members. Similar risks regarding distributions apply to the Project Company.

The LLC Agreement provides that the Company may be responsible for indemnifying the Manager if the Manager engages in certain actions and that you may have fewer remedies against the Manager than would be the case in the absence of such LLC Agreement provisions.

The LLC Agreement limits the circumstances under which the Manager and its affiliates and the officers, employees, and agents of the Company, acting within the scope of their authority, can be held liable to the Company and the Investors. In addition, certain provisions of the LLC Agreement allow the Manager to satisfy its standard of conduct by acting in "good faith." As a result, investors may have a more limited right of action in certain cases than they would have in the absence of such a limitation on liability or than they would have in the absence of such standards. The Manager and its affiliates and the officers, employees, and agents of the Company, acting within the scope of their authority will not be liable to the Company or the Investors for acts or omissions performed in accordance with and pursuant to the LLC Agreement, except to the extent that any losses or damages incurred by the Company are established by a court order of final adjudication to be primarily attributable to such parties' Breach of Standard of Conduct (defined on page 24).

The Company will indemnify the Manager and its affiliates and the officers, employees, and agents of the Company, acting within the scope of their authority, with respect to any losses or damages incurred by them in connection with their services to the Company, except to the extent that any losses or damages incurred by the Company are established by a court order of final adjudication to be primarily attributable to such parties' Breach of Standard of Conduct.

The Manager has sole authority to establish reserves, which can diminish the value of an investment in the Company.

As is customary in the industry, the Manager will establish reserves for operating expenses (including fees), Company liabilities and other matters. Estimating the appropriate amount of such reserves is difficult. Inadequate or excessive reserves could impair the investment returns to the Investors.

The Manager may make in-kind distributions, which may prove difficult to liquidate.

The Manager may distribute the proceeds of certain of the Company's investments in kind. An Investor that receives assets other than cash from the Company may incur costs and delays in converting those assets into cash.

Third party liabilities may need to be satisfied by any or all of the Company's Assets, reducing the assets available for the benefit of Members.

The Company's assets, including its investment in the Project Company, any other subsequent investment made by the Company, and any funds held by the Company, are available to satisfy all liabilities and other obligations of the Company. If the Company becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Company's assets generally and such recourse may not be limited to any particular asset, such as the asset representing the investment giving rise to the liability.

Neither the Company, the Manager, nor its affiliates are regulated entities, resulting in less oversight than entities registered with the SEC or state securities commissions.

Neither the Manager nor its affiliates are registered as an investment adviser with the SEC under the Investment Advisers Act. Accordingly, the Members will not have the benefit of the protections afforded by the Investment Advisers Act.

In addition, the Company intends to conduct itself of so that it will not be required to be registered as an investment company under the Investment Company Act of 1940, as amended (the "***1940 Act***" or "***Investment Company Act***"). If the Company is required to register as an investment company under the 1940 Act, it may not be able to continue its business plan, which may significantly reduce the value of the Units. If the Company were required to register as an investment company under the Investment Company Act, the Company would be required to comply with numerous additional regulatory requirements and operational restrictions, which could adversely restrict operations and reduce distributions to the Members.

As a result, certain protections of the 1940 Act will not be afforded to the Company or the Members. These include matters such as requiring at least 40% of an investment company's directors to be disinterested, regulating the relationship between the investment company and its adviser, requiring investor approval before fundamental investment policies can be changed, limiting concentration in a company's assets and limiting a fund's investments in certain types of securities and investments.

For additional information on these matters, see "*United States Securities Laws — Investment Advisers Act*" (beginning on page 85) and *"— Investment Company Act*" (beginning on page 83).

Increased regulations could reduce the Company's ability to generate positive returns.

Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during recent years have led to increased governmental as well as self-regulatory scrutiny of the private equity fund industry in general. Certain legislation proposing greater regulation of the industry periodically is considered by Congress, as well as the governing bodies of non-U.S. jurisdictions. It is impossible to predict what, if any, changes in the regulations applicable to the Company may be instituted in the future. Any such regulation could have a material adverse impact on the profit potential of the Company, as well as require increased transparency as to the identity of the Investors.

The Company may be subject to the USA PATRIOT Act, and the failure to comply could result in fines or penalties.

The Company may be subject to the U.S. Bank Secrecy Act, as amended by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "***USA PATRIOT Act***"), and other anti-money laundering, antiterrorism, and similar laws and regulations adopted by the U.S. and other jurisdictions. The USA PATRIOT Act requires subject businesses to establish anti-money laundering compliance programs that must include policies and procedures to verify investor identity at account opening and to detect and report suspicious transactions to the government. Institutions subject to the USA PATRIOT Act must also implement specialized employee training programs, designate an anti-money laundering compliance officer and submit to independent audits of the effectiveness of the compliance program. Compliance with the USA PATRIOT Act may result in additional financial expenses for the Company and may subject us to additional liability. The Company's failure to comply with applicable regulations of the Treasury Department's Office of Foreign Assets Control (OFAC) could have similar or additional negative consequences to those under the USA PATRIOT Act. See "*Anti-Money Laundering Requirements and Regulations*" beginning on page 91.

Unanticipated risks could have a material adverse effect on the Company.

The preceding risk factors are not intended to address all conceivable risks associated with an investment in the Company. Other risks, unknown at this time, may also become factors that detrimentally impact the Company and its Members. In addition, certain possibilities are known but considered unlikely. The Manager has broad authority with respect to the Company, and the manager of the Project Company will have broad authority with respect to the Project Company; and events and circumstances that are known but considered unlikely, or unknown events or circumstances, could develop that could materially adversely affect an Investor as a result of its investment in the Company.

The Manager has limited experience with the QOZ Program or investments and investments made in compliance with the QOF Regulations.

The QOF Regulations incentivize investments in specifically designated low-income census tracts and contiguous tracts to such low-income census tracts. Although the Manager's management team has significant experience investing in adaptive re-use conversions, multifamily, and mixed-use real estate projects, neither the Manager nor any of its affiliates have significant experience operating a QO Fund or satisfying the requirements of the QOF Regulations.

Risks Associated with Investments in QO Funds.

QO Funds, including the Company, are subject to specific investment requirements and corresponding risks, including:

<u>Increased Competition</u>: Significant investment capital is anticipated to be rapidly invested in QO Funds generally. As each QO Funds, including the Company, is required to invest a minimum level of its capital in QOZ Property and QOZBs, the Company is expected to face increased competition, even within secondary and tertiary real estate markets.

<u>Increases in Property Value</u>: QO Zones have already been designated on a state by state basis and the location of each qualified opportunity zone is publicly available. In anticipation of QO Funds investing in QOZ Property, year over year property values in many of these zones have already increased significantly, far outpacing property value growth in eligible, non-designated zones and non-eligible zones. Accordingly, the Company may purchase assets which may have more limited growth potential as much of their price appreciation has been achieved pre-purchase.

<u>Increases in Construction and Other Ancillary Service and Material Costs</u>: As a result of the influx of capital and QO Funds into qualified opportunity zones, local businesses in the construction and property industries may raise their prices and the Company may be required to bear these cost increases. Any such cost increases will negatively impact the performance of the Company.

<u>QOF Benefits Are Not Guaranteed:</u> The Company will invest, directly and indirectly, in real estate assets in QO Zones such as those described in this Memorandum. There is no guarantee that the Company will consummate the investments described in this Memorandum or that it will build a portfolio of real estate and real estate related assets which are the same or comparable to the mix or quality of the assets described in this Memorandum. The Manager will have complete discretion as to what assets within QO Zones it will acquire, and, while the Company generally intends to take all commercially reasonable steps to ensure that Members in the Company have the benefit of the QOF Benefits, the Manager will have complete discretion as to whether and when to dispose of, refinance, or otherwise achieve liquidity from any investment. Accordingly, while the Manager intends to maximize the opportunity for investors to obtain the QOF Benefits, there is no guarantee that a Member will reap the benefits of such tax incentives.

Exit Timing: Each QO Fund, including the Company, is subject to the same specified timing and holding periods in order for its investors to receive the Appreciation Benefit. Accordingly, the Company is subject to the risk that other QO Funds will attempt to sell assets, including in the same qualified opportunity zones in which the Company holds property and there can be no assurance that there will be enough demand for the Company's assets to be sold at attractive valuations and/or at the times desired by the Company.

Risks Relating to the Offering

The offering is not registered under state or federal securities laws, reducing the level of oversight over the offering process and the safeguards available in a registered public offering.

In a registered public offering of securities, the SEC or state regulatory authority may review the disclosures provided by the issuer and comment upon its compliance with the disclosure requirements of applicable securities laws. Because of the nature of this offering, there are no specific required disclosures (although the anti-fraud provisions of securities laws are still applicable). Furthermore, there will be no regulatory authority reviewing or commenting upon this Memorandum. In addition, in an underwritten public offering, the underwriter will retain separate counsel, and the underwriter and its counsel will perform due diligence on the issuer, assets, and business. While the Manager will perform due diligence on the investments, including its investment in the Project Company, no party has performed or has yet been (nor is it contemplated that they will be) retained to perform due diligence on the Company, the Manager, or any of their affiliates or to assess the accuracy or adequacy of this Memorandum. Prospective Investors must rely on their own knowledge of the market and due diligence in making an investment decision.

Some Investors may enter into Side Letters.

The Manager may, on its own behalf or on behalf of the Company, enter into agreements that modify or supplement one or more Investors' rights and obligations with respect to its investment in the Company (each such agreement, defined above as a "Side Letter"). There is no "most favored nation" clause applicable to the Company's Investors generally, and no Investor will be entitled (unless the Manager agrees in its sole and absolute discretion) to any rights or obligations agreed to by the Manager with another Investor in such other Investor's Side Letter.

Investors' subscriptions are binding.

Once an Investor's subscription is accepted by the Company, the Investor's subscription is binding unless the Company terminates the offering and cancels the Investor's subscription. Should any of the Investor's capital be expended, and economic or other circumstances prevent the Company from making distributions to Members, no funds will be returned to Members.

Members admitted at subsequent closings may disproportionately dilute, or be diluted by, previously admitted Members, or may have different, lesser, and/or additional rights.

Investors subscribing for Units at subsequent closings or Investors increasing their Capital Contribution (each, an "***Additional Investor***") will participate equally in existing investments of the Company, regardless of when each Investor invested in the Company, thereby diluting the interest of existing Investors therein. Additional Investors will generally participate pro rata based on their Capital Contributions (although some variation of the accrual of preferred returns may exist based on the timing of capital deployment and an Investor's Capital Contribution to the Company). Because the value of existing investments may have increased or decreased since the Company's acquisition of such investments, there can be no assurance that the Additional Investors' pro rata share of Capital Contributions will accurately reflect their share of the fair value of investments if such Additional Investors were to purchase that same proportion of those investments independently.

Members admitted at subsequent closings may have different, lesser, and/or additional rights.

The Manager may cause the Project Company to apply for various federal, state, and/or local grants or incentives to assist in the redevelopment of the Project. Certain investors admitted at subsequent closings may be ineligible to participate in particular incentive programs due to program-specific criteria for which other investors are eligible, potentially resulting in greater returns to the investors who are eligible to participate in any such programs.

Fewer than all Units offered may be sold, which could place the Project at risk of failure.

If fewer than all Units offered are sold, the Company's investment in the Project Company (and subsequent investments, if applicable) may be more limited than if a larger portion of the maximum offering proceeds is obtained. If fewer than all Units offered are sold and the Manager does not have sufficient capital to fully fund the required equity contributions to the Project Company, the Project may need to be scaled down or abandoned. This may have an adverse impact on the ability of the Company to achieve its investment objectives.

The Time Incentive Award Program will result in a greater return to early Investors who invest after the Time Incentive Award Program terminates.

Pursuant to the Time Incentive Award Program, the Company will grant certain early Investors higher preferred returns based on certain hurdle rates. Therefore, Investors who participate in the Time Incentive Award Program will receive more preferred returns per dollar than Investors who invest who invest the same dollar after the Time Incentive Award Program terminates.

The tax treatment of various incentive programs the Company may utilize is unclear, and the Project may not receive all incentives presented.

Various tax credit and incentive programs the Company may utilize, including historic tax credits, local real estate tax abatement and environmental remediation grants, may cause taxable income without corresponding cash flow, especially during the re-development phase. Furthermore, many of the tax credit/incentive programs included in the Company's underwriting are highly competitive and/or exposed to unexpected legislative changes. Certain underwritten incentives may not materialize, or may be initially granted but subsequently revoked, which would result in decreased investment returns.

Risks Relating to the Company's Investments

The Company's investments will be limited, which means you will not have the benefit of a diversified portfolio.

The Company's assets will consist of its interest in the Project Company, which is situated within a single QO Zone. Currently, the investment in the Project through the Project Company is the only planned investment of the Company. As a consequence, the aggregate return of the Company will be substantially adversely affected by the unfavorable performance of the Project.

Adverse market conditions could disrupt the Company's plans, resulting in lower returns or a loss of capital.

The current market conditions may adversely affect the Company in many ways, including by reducing the value or performance and liquidity of the Company's and the Project Company's investments and reducing the ability of the Company and the Project Company to raise or deploy capital. A general market downturn, or a specific market dislocation, may result in lower investment returns for the Company and the Project Company.

The continuing spread of new strains of coronavirus, which causes the viral disease known as COVID-19, may adversely affect our investments and operations, including our ability to raise capital in this offering.

Since its discovery in December 2019, a new strain of coronavirus, which causes the viral disease known as COVID-19, has spread from China to many other countries, including the United States. The outbreak has been declared a pandemic by the World Health Organization, and the U.S. Health and Human Services Secretary has declared a public health emergency in the United States in response to the outbreak.

The outbreak of the novel coronavirus and its variants in many countries is having and will likely continue to have an adverse impact on global commercial activity, which has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and as cases of the virus have been identified in additional countries, many countries have reacted by instituting quarantines and restrictions on travel. These actions are creating disruption in supply chains, and adversely impacting a number of industries.

The impact of COVID-19 on the U.S. and world economies, and the extent of and effectiveness of any responses taken on a national and local level, is uncertain and could result in a world-wide economic downturn and disrupt financial markets in unanticipated and unintended ways.

The development of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. The novel coronavirus could present material uncertainty and risk to many businesses and potentially to our investments and operations.

An investment in the Company should be considered illiquid and a long-term investment.

Although investments by the Company may occasionally generate some current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition of such investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the investment is made.

Failures to uncover material facts during due diligence of potential investments could result in unanticipated expenses or losses on such investments.

There can be no assurance that the due diligence processes conducted by the Manager has or will uncover all relevant facts that would be material to an investment decision in the Project (through the Project Company). In making the assessment and otherwise conducting customary due diligence, the Manager will rely on the resources available to it and, in some cases, investigations by third parties. Although the Manager will evaluate all such information and data and seek independent corroboration when it considers it appropriate to do so, the Manager will not be in a position to confirm the completeness, genuineness, or accuracy of all such information and data, and in some cases, complete and accurate information will not be readily available.

In addition, the Company will generally establish capital structures for prospective investments on the basis of financial projections for such investments. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the Company's projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Non-controlling interests in investments may result in losses that might not have been realized had the Company been able to control the investment.

The Company will hold an interest in the Project Company that, together with any other members of the Project Company, will enable the Company and any such other members to control major decisions involving the Project Company and to replace the manager of the Project Company. However, the Company itself will not control the day-to-day operations of the Project Company and may not have singular control over replacement of the Project Company's manager. Therefore, the Company may have a limited ability to protect its position in such investments, although as a condition of investment in an investment, it is expected that appropriate rights generally will be sought to protect the Company's interests.

The Company may not achieve its targeted rate of return, which would hurt the value of Members' investment in the Company.

The Company will make investments based on the Manager's estimates or underwritten internal rates of return and current returns, which in turn are based on, among other considerations, assumptions regarding the performance of the Project, the amount and terms of available financing and the manner and timing of dispositions, including possible asset recovery and remediation strategies, all of which are subject to significant uncertainty. In addition, events or conditions that have not been anticipated may occur and may have a significant effect on the actual return, if any, received on such investments.

Unknown liabilities arising from the sale of assets could deplete the Company's assets, resulting in decreased cash available for distribution and a decrease in the value of Members' investment.

In connection with the disposition of an investment, including the Project, the Company and Project Company, as applicable, may be required to make representations about such investment. The Company and Project Company also may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the Manager (or Project Company) may establish reserves or escrow accounts or for which the Company may be required to expend its assets to settle.

Expenses may be increased as a result of investing through joint ventures.

Investment through joint ventures, such as the Project Company, may increase the Company's expenses, since the Company has to pay its own expenses and its pro-rata share of the expenses of any joint venture and the investment funds they control. This "layering" of fees may result in higher expenses than if the Company invested in the underlying asset directly. See "*Summary of Principal Terms — Project Company LLC Agreement — Manager Fees*" (page 27) (regarding fees payable to the Project Company Manager (which is an affiliate of the Manager)) and "*Summary of Principal Terms — Project Company LLC Agreement — Distributions of Available Cash from Project Company*" (page 28), (regarding the carried interest payable to the Project Company Manager at the Project Company level).

In addition, the managers of a joint venture normally will be entitled to two forms of compensation: a fee based on net assets under management, plus performance compensation based on the joint venture's returns. Because managers of joint ventures typically are compensated based on their performance and not the performance of the Company investments as a whole, certain managers of the Company's joint ventures may receive carried interest even though the Company is not profitable. In addition, the Manager and its affiliates may also receive carried interest payments (or other incentive fees) from the Company, even if the Company as a whole is not profitable.

The Company's investments may be difficult to liquidate, which could reduce cash available for distribution and the value of Members' investment.

The Company intends to invest in the Project Company. The Project Company's interests are subject to restrictions on transfer, and no liquid market exists for such interests. The Company may not be able to sell such interests when it desires to do so or to realize what it perceives to be such interests' fair value in the event of a sale. The sale of illiquid investments often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets.

The Company and Project Company will be dependent on property managers to successfully operate investments.

All or a portion of the Project will be managed by an internal property management team. If the Project Company or Company decides to engage an independent property manager, then the Manager can provide no assurances that it could find a replacement manager in a timely manner, or at all, or that any replacement manager will be successful in operating the Project. Furthermore, it is likely that most of the Company's (or Project Company's) lenders would need to approve any new management company and agreement, all of which could cause the Company (or Project Company) to incur significant costs to obtain new management agreements for the affected investments. If any of the foregoing were to occur, it could have a material adverse effect on the Company (and Project Company, as applicable).

Labor shortages could adversely affect the performance of the Company's investments.

The success of the Project will depend in large part on the Project Company's internal property management team's ability to attract, retain, train, manage, and engage its employees. If the Project Company's internal property management team is unable to attract, retain, train, and engage skilled associates, their ability to manage and staff the Project adequately could be impaired, which could reduce customer and tenant satisfaction. A shortage of skilled labor could also require higher wages that would increase the labor costs of the Project, which could reduce the Project Company's (and thus the Company's) profits and cash available for distribution to Members.

The Project Company and Company may be adversely impacted by energy and water shortages and allocations.

There may be shortages or increased costs of fuel, natural gas, electric power, or water or allocations thereof by suppliers or governmental regulatory bodies in the areas where the Project (and any other real estate investment of the Company or Project Company, if any) is located. In the event of such shortages, price increases or allocations, the Project Company's and Company's operations may be adversely affected. The Manager is unable to predict the extent, if any, to which such shortages, increased prices or allocations will occur and the degree to which such events may influence the Project Company's and Company's ability to meet their objectives.

The foreclosure of the neighboring hotel could adversely impact the Project due to the terms of the various condominium agreements with the Project Company.

The property at 441 Vine Street in Cincinnati, Ohio 45202 is comprised of three condominium units. The Hilton Netherland Hotel makes up Unit 1 and is owned by the prior owner of Units 2 and 3. Units 2 and 3 are owned by the Project Company. The Hilton Netherland Hotel (Unit 1) is currently under foreclosure by its lender. To be clear, the Project Company does not own Unit 1, which includes the Hilton Netherland Hotel, and Units 2 and 3 are not under foreclosure.

The Project Company and the Hilton Netherland Hotel are parties to various condominium association agreements, which impact the Project. A foreclosure suit could adversely affect aspects of such various condominium association agreements and any condominium dues could be challenged if the foreclosure suit is successful. There is no assurance that a foreclosure judgment will be entered or a foreclosure sale will result in net proceeds sufficient to cover the Hilton Netherland Hotel's payment obligations.

If the Hilton Netherland Hotel is offered for sale in the future, there is a possibility that affiliates of the Manager may acquire the hotel, in which case affiliates of the Manager would represent both Unit 1 (the Hilton Netherland Hotel) and Units 2 and 3 (the Project), which could create a conflict of interest with regards to operations of the condominium association because all units would be controlled by related entities.

The impact and implications of various incentive programs the Property Owner may utilize is unclear.

Various tax credit and incentive programs the Project may utilize may cause taxable income to the Company without corresponding cash flow. These may include historic tax credits ("**HTC**"), brownfield remediation or other environmental grants, New Market Tax Credits, real estate tax abatements, and/or other programs. Furthermore, tax credit/incentive programs included in the Company's underwriting may not materialize or may be granted and subsequently revoked, or may cause additional conditions or restrictions to the Project, which would result in decreased investment returns.

The utilization of the HTC's in connection with the business plan for the Project exposes the Project Company to the following additional risks:

- The Project could fail to receive the HTC's included in Gordon Property Group-Victrix (GPG-Victrix)'s (the "**Sponsor**") Sponsor's underwriting or such HTC could be less than anticipated (including because costs are less than projected, costs that Sponsor thought were eligible for the HTC are deemed ineligible for the HTC or due to delays in construction), thus leading to a decrease in equity contributions to the Project Company by the Project Company Member through which the HTC are obtained (the "**HTC Investor**").

- The HTC could be reduced or recaptured due to failure to comply with the applicable rules and regulations of the IRS and/or the U.S. National Park Service ("**NPS**") or due to a default and foreclosure by creditors, thus requiring payments that could be substantial by the Project Company to the HTC Investor (which, in turn, would reduce cash available for distribution by the Project Company to the Company and, in turn, by the Company to its Members).

- If the project does not produce sufficient cash flow to pay the HTC Investor its required return on per annum basis, the payments to the HTC Investor will increase (which, in turn, would reduce cash available for distribution by the Project Company to the Company and, in turn, by the Company to the Members).

- The HTC are subject to certain NPS redevelopment and construction guidelines and restrictions, which may increase development costs and may cause delays in completion of construction with respect to the Project.

- If construction on the Property is not completed in compliance with the rules of the NPS, the Property may not receive a Certification of Completed Work from the NPS, in which case, the amount of the HTC equity contributions to the Project Company, plus interest and penalties, would be required to be repaid to the HTC Investor.

- The HTC Investor will have the right to remove the Manager as the manager of the Project Company and appoint an unrelated third party to be the manager of the Project Company upon the occurrence of a number of events by or on behalf of the Sponsor, the Manager or their respective affiliates, including, but not limited to, the following: failure to complete construction on a timely basis, failure to fund construction costs, failure to fund operating deficits, failure to pay the HTC Investor its return if there is sufficient positive cash flow, breach of certain representations and warranties made by the Manager (in its capacity as the manager of the Project Company) to the HTC Investor, the presence of environmental liabilities impacting the HTC Investor, or any "bad boy" acts.

- The HTC regulations require a five-year hold after completion of construction on the Property, which will significantly restrict Sponsor's ability to sell the Projector sell equity interests in the Project or the Project Company and may restrict the amount and timing of refinancing options, in each case, during such five-year compliance period.

Risks Relating to Real Estate Investments

Real estate-related investments face a variety of risks that can adversely impact the Company's cash flows and value.

Real estate historically has experienced significant fluctuations and cycles in value that may result in reductions in the value of real estate-related investments. The marketability and value of the Project, and any subsequent real estate investments, will depend on many factors beyond the control of the Company. The ultimate performance of the Project and subsequent investments will be subject to the varying degrees of risk generally incident to the operation of the underlying real property. Revenues may be adversely affected by: (i) changes in national or international economic conditions; (ii) changes in local market conditions due to changes in general or local economic conditions and neighborhood characteristics; (iii) the financial condition of tenants, buyers, and sellers of properties; (iv) competition from other properties offering the same or similar services; (v) changes in interest rates and in the availability, cost and terms of mortgage funds; (vi) the impact of present or future environmental legislation and compliance with environmental laws; (vii) the ongoing need for capital improvements (particularly in older structures); (viii) changes in real estate tax rates and other operating expenses; (ix) adverse changes in governmental rules and fiscal policies; (x) civil unrest; (xi) acts of God, including earthquakes, hurricanes, and other natural disasters; (xii) acts of war; (xiii) acts of terrorism (any of which may result in uninsured losses); (xiv) adverse changes in zoning laws; and (xv) other factors that are beyond the control of the Company. In the event that any of the properties underlying Company's or Project Company's investments experience any of the foregoing events or occurrences, the value of and return on such investments could be negatively impacted.

Properties in economically distressed communities, such as those in which the Company will invest, face risks that investments outside of such areas do not, and such risks can adversely affect the performance of the Company's investments.

Due to the nature of the QOF Regulations, the Company will invest its assets in QO Zones, which are, in part, properties located in economically distressed communities around the United States. The economic status of these communities may negatively impact the Company's ability to obtain mortgage loans to purchase properties, obtain financing to complete redevelopment projects, successfully refinance properties as loans become due on favorable terms or at all, or successfully dispose of the properties after completion of any improvement or redevelopment projects. Furthermore, if the Company is unable to borrow money, then the Company may need to sell some of its assets at unfavorable prices in order to pay its loans. To the extent that the availability of credit is limited, it could also adversely affect the Company's notes receivable as counterparties may not be able to obtain the financing required to repay the loans upon maturity.

The distressed communities in which the Company owns QOZ Property, including the QO Zone in which the Project is located, may have higher rates of criminal activity and civil unrest, which could harm the demand for, and the value of, such property. The actual or perceived presence of increased criminal activity and civil unrest could directly impact the value of the Company's properties through damage, destruction, loss, or increased security costs and the availability of insurance for such acts may be limited or may be subject to substantial cost increases. Criminal activity and civil unrest might erode business in the community and might result in decreased or delayed infrastructure development or improvement by state or local governments. Either of these events might decrease demand for real estate, decrease or delay the occupancy of the Company's properties, and limit the Company's access to the debt markets. The economic impact of any future criminal activity and civil unrest could also adversely affect the value of some of the Company's investments, and these losses may negatively impact the Company's returns.

The Project includes residential space, which poses risks not associated with other classes of real estate investments.

The Project will include residential rental units. A large number of factors may adversely affect the value and successful sale of these rental units, including market conditions that may result in future vacancies, increased rate of delinquent rent and lower than expected rental rates. The Company expects that substantially all of its apartment leases will be for a term of one year or less. Because these leases generally permit the tenants to leave at the end of the lease term without penalty, the Company's rental revenues may be impacted by declines in market rents more quickly than if the Company's leases were for longer terms. If one or more tenants renews its lease on terms less favorable to the Company, does not renew its lease or the Company does not re-lease a significant portion of the space made available, the Company's financial condition, results of operations, and cash flow could be materially adversely affected.

The Project will have a retail property component, and the risks unique to retail properties, if realized, can hurt the cash available for distribution and the value of the Company.

The Company intends to invest, indirectly through the Project Company, in the Project, which is anticipated to include retail space. Several factors may adversely affect the value and successful operation of a retail property, including: (i) changes in consumer spending patterns, local competitive conditions (such as the supply of retail space or the existence or construction of new competitive shopping centers or shopping malls, including, for example, competition between regional malls and local shopping centers and changing consumer preferences for outlet malls, big-box discount stores and price clubs); (ii) alternative forms of retailing (such as direct mail, video shopping networks and internet web sites, which reduce the need for retail space by retail companies); (iii) the safety, convenience, and attractiveness of the property to tenants and their customers or clients; (iv) the public perception of the safety of customers at shopping malls and shopping centers; (v) the need to make major repairs or improvements to satisfy the needs of major tenants; and (vi) traffic patterns and access to major thoroughfares.

The general strength of retail sales also directly affects retail properties. If retail sales by tenants in the Company's properties were to decline, the rents that are based on a percentage of revenues may also decline, and tenants may be unable to pay the fixed portion of their rents or other occupancy costs. The cessation of business by a significant tenant can adversely affect a retail property, not only because of rent and other factors specific to such tenant, but also because significant tenants at a retail property play an important part in generating customer traffic and making a retail property a desirable location for other tenants at such property.

The Project may have an office component, and office properties face unique risks, the realization of which can adversely impact the Company's cash flows and value.

The Company intends to invest, indirectly through the Project Company, in the Project, which may include office space. A large number of factors may adversely affect the value of office properties, including: (i) the quality of an office building's tenants; (ii) an economic decline in the business operated by the tenants; (iii) the physical attributes of the building in relation to competing buildings (e.g., age, condition, design, appearance, location, access to transportation, and ability to offer certain amenities, such as sophisticated building systems and/or business wiring requirements); (iv) the physical attributes of the building with respect to the technological needs of the tenants, including the adaptability of the building to changes in the technological needs of the tenants; (v) the diversity of an office building's tenants (or reliance on a single or dominant tenant); (vi) the desirability of the area as a business location; (vii) the strength and nature of the local economy, including labor costs and quality, tax environment, and quality of life for employees; and (viii) an adverse change in population, patterns of telecommuting or sharing of office space and employment growth (which creates demand for office space).

Competition may adversely affect demand for the residential rental units, which could adversely affect, or result in a loss on, an investment in the Company.

There are numerous housing alternatives that compete with multi-family residential rental properties in attracting prospective purchasers. These include other residential developments, single-family homes for sale, multi-family condominiums, and single-family homes that are available for rent in the relevant market. If the demand for residential rental units falls, or if housing competition develops, the prices at which the Project may be able to sell the residential rental units may be adversely affected, which, if included as part of the Company's investment, could result in a loss on the Company's investment in that portion of the development and may have a material adverse effect on the income generated from the Project.

The Project could fail to meet expectations and result in a loss on Members' investment in the Company.

The Company intends to invest in the Project, which is a multi-use project consisting of office, hospitality, retail, parking, and residential assets. There is a risk that the Project will fail to perform as expected. Estimates of future income, expenses, and the costs of development necessary to allow the Project Company to market all or a portion of the Project as originally intended may prove to be inaccurate. In addition, the Project Company expects to finance its investments in part under various forms of secured or unsecured financing and there is a risk that the cash flow from the Project could be insufficient to meet debt payment obligations. Additionally, the Manager may be forced to raise additional financing – whether debt or equity – for the Project that could be dilutive to existing investors and/or restrict property operations.

The Company's investments will be subordinated to other elements comprising the total capitalization of the Project, which could result in a loss of the Company's investment.

The Company's investment in the Project Company and Project will be subordinate to debt on such assets. In the event of default on the debt secured by the Project or interests in the Project, the net proceeds from a foreclosure or restructuring may not be sufficient to cover the expenses of foreclosure or restructuring and payment in full of the debt. In such event, the Company will realize a loss of up to all of its investment before the debt will suffer any loss.

The Project is a redevelopment of an existing building, which faces unique risks that, if realized, can materially adversely impact the performance and value of the Company.

The Company intends to acquire an equity interest in the Project Company, which will own the Project. To the extent that the Company invests in the Project Company, it will be subject to the risks normally associated with redeveloping real estate. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Company and the Project Company, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of redevelopment activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of the Company (and Project Company) and on the amount of funds available for distribution to the Members.

Environmental liabilities can materially adversely impact the Company's cash flows and value.

The Company's and Project Company's operating costs and performance may be affected by the costs of complying with existing environmental laws, ordinances and regulations, as well as the cost of complying with future legislation or environmental problems that materially impair the value of the Project and any other investments in which the Company (or Project Company) has invested. Under various applicable environmental laws and regulations, a current or previous owner or operator of real property may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances.

In addition, the presence of hazardous or toxic substances, or the failure to remediate such property properly, may adversely affect the owner's ability to borrow using such real property as collateral. In addition, some environmental laws create a lien on contaminated property in favor of the government for costs it incurs in connection with the contamination. Certain clean-up actions brought by governmental and private parties, as well as the presence of hazardous substances on a property, may lead to claims of personal injury, property damage or other claims by private claimants.

Persons who arrange for the disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of such substances at the disposal or treatment facility, whether or not such facility is or ever was owned or operated by such person. Certain environmental laws and common law principles could be used to impose liability for release of asbestos-containing materials ("ACMs") into the air and third parties may seek recovery from owners or operators of real properties for personal injury associated with exposure to released ACMs or other hazardous materials. Environmental laws may also impose restrictions on the manner in which a property may be used or transferred or in which businesses may be operated, and these restrictions may require substantial expenditures. In connection with the ownership and operation of the Project (and any other investment property, if applicable), the Company (and Project Company) may be potentially liable for any such costs. The costs of defending against claims of liability or remediation of contaminated property and the cost of complying with such environmental laws could materially adversely affect the Company's (and Project Company's) results of operations and financial performance.

Design, construction, or other defects in property acquired by the Company can result in additional, unanticipated expenditures, which can hurt the Company's cash flow.

The Project, and any other property owned, directly or indirectly, by the Company, may have design, construction, or other defects or problems that require unforeseen capital expenditures, special repair or maintenance expenses, or the payment of damages to third parties. Engineering, seismic, and other reports on which the Project Company relied as part of its pre-acquisition due diligence investigations may be inaccurate or deficient, at least in part because defects may be difficult or impossible to ascertain. Statutory or contractual representations and warranties made by the seller of the real estate on which the Project is situated may not protect the Company and Project Company from liabilities arising from property defects. Furthermore, after selling the Project, the Project Company may continue to owe a statutory warranty obligation to the purchaser if any latent defects in such property are subsequently discovered.

Insurance against certain catastrophic losses may be unavailable or economically unfeasible, exposing the Company to material losses.

With respect to properties acquired by the Company or Project Company, liability, fire, flood, extended coverage and rental loss insurance with insured limits and policy specifications that the Manager believes are customary for similar properties will be maintained. The Company expects that the insurance carried on the Project and any other property will be adequate in accordance with industry standards. The Company and Project Company will attempt to maintain customary insurance coverage against liability to third parties and property damage. There can be no assurance that insurance will be available or sufficient to cover the risks associated with the Company's and Project Company's investment strategy.

Additionally, certain losses of a catastrophic nature, such as wars, civil unrest, natural disasters, terrorist attacks or other similar events, may be either uninsurable, or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. In general, losses related to terrorism are becoming harder and more expensive to insure against. Most insurers are excluding terrorism coverage from their all-risk policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, not all investments may be insured against terrorism. If a major uninsured loss occurs, the Company (or Project Company) could lose both invested capital in and anticipated profits from the affected investments.

Compliance with the American With Disabilities Act can result in additional expenditures, fines, and unanticipated costs.

The Project will be required to comply with Title III of the Americans With Disabilities Act, as amended (the "***ADA***"), to the extent that such properties are "public accommodations" and/or "commercial facilities" as defined by the ADA. Compliance with the ADA requirements could require removal of structural barriers to handicapped access in certain public areas of properties. Non-compliance could result in imposition of fines or an award of damages to private litigants.

Risks Associated with Debt

Leverage of investments increases the risk of loss on the Company's investments if the underlying properties perform poorly.

The Company, through the Project Company, will likely incur nonrecourse or recourse debt to finance the acquisition and development of the Project and subsequent investments. The Company's and Project Company's ability to obtain the leverage necessary on attractive terms will ultimately depend upon its ability to meet market underwriting standards which will vary according to lenders' assessments of the value of the real property collateral, the Project Company's and Company's creditworthiness and the terms of the borrowings. Additionally, uncertainty in the credit markets may in the future render the Project Company and Company unable to refinance or extend its debt, or the terms of any refinancing may not be as favorable as the terms of the Project Company's or Company's then-existing debt. The failure to obtain leverage at the contemplated levels, or to obtain leverage on attractive terms, could have a material adverse effect on the Project Company and the Company.

While such leveraging will increase the funds available for investment by the Company and Project Company, it will also increase the risk of loss on a leveraged property. If the Company or Project Company defaults on indebtedness secured by a given property, the lender may foreclose and the Project Company and Company could lose its entire investment in the given property.

A breach of debt financing agreement covenants can require early repayment or otherwise hinder the Company's ability to make cash distributions to Investors.

The Company and/or the Project Company may be a party to various loan, repurchase and other financing agreements which are likely to contain financial covenants that could, among other things, require it to maintain certain financial ratios. Should the Company or Project Company breach the financial or other covenants contained in any loan, repurchase or other financing agreement, the Company and/or Project Company may be required to repay such borrowings in whole or in part immediately, together with any attendant costs. If the Company and/or the Project Company does not have sufficient cash resources or other credit facilities available to make such repayments, it may be forced to sell some or all of the assets comprising its investment portfolio. To the extent that the Company's (or Project Company's) borrowings are secured against all or a portion of its assets, a lender may be able to sell those assets. Moreover, any failure to repay such borrowings or, in certain circumstances, other breaches of covenants under the Company's (or Project Company's) loan or repurchase agreements could result in the Company (or Project Company) being required to suspend payment of its distributions.

Debt service and interest could adversely impact results.

As noted above, the Company and Project Company intend to use secured and unsecured debt to finance the Project. As a result, the Company and Project Company may incur substantial debt, including secured debt. Incurring substantial debt could subject the Company (and Project Company, as applicable) to many risks, including the risks that:

- operating cash flow will be insufficient to make required payments of principal and interest;
- the Company's (or Project Company's) leverage may increase the Company's (or Project Company's) vulnerability to adverse economic and industry conditions;
- the Company (or Project Company) may be required to dedicate a substantial portion of its cash flow from operations to payments on its debt, thereby reducing cash available for distribution to its members, funds available for operations and capital expenditures, future business opportunities or other purposes;
- the Company (or Project Company) may be placed at a competitive disadvantage compared to its competitors that have less debt;

- the Company (or Project Company) may be vulnerable to a slowdown in the economy, and the Company's (or Project Company's) flexibility to respond to more difficult economic conditions may be hurt;

- terms of any refinancing, if available, will not be as favorable as the terms of the debt being refinanced; and

- the terms of the Company's (or Project Company's) debt may limit the Company's (or Project Company's) ability to incur further borrowings or to make distributions to its members.

Interest rates may adversely impact the Company and Project Company.

The Company and Project Company may borrow significant amounts of money to purchase, develop or improve the Project (or any subsequent investment) or to pay for their operating costs. An increase in interest rates will make borrowing money more expensive for the Company and Project Company. The Company and Project Company may borrow money on a variable rate basis; that is, the interest rate charged to the Company or Project Company will increase as interest rates increase, and decrease as interest rates decrease. Higher interest rates could increase debt service requirements on debt under any floating rate debt that the Company or Project Company incurs and could reduce the amounts available for the Investors, as well as reduce funds available for the Company's or Project Company's operations, future business opportunities, or other purposes.

The Company and Project Company may hedge against interest rate fluctuations, and such hedges could fail to protect the Company or Project Company.

The Company or Project Company may obtain in the future one or more forms of interest rate protection — in the form of swap agreements, interest rate cap contracts or similar agreements —to hedge against the possible negative effects of interest rate fluctuations. These agreements involve the risks that these arrangements may fail to protect or adversely affect the Company or Project Company, as applicable, because, among other things:

- interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates;

- available interest rate hedges may not correspond directly with the interest rate risk for which protection is sought;

- the duration of the hedge may not match the duration of the related liability;

- the credit quality of the hedging counterparty owing money on the hedge may be downgraded to such an extent that it impairs the Company's or Project Company's (as applicable) ability to sell or assign its side of the hedging transaction; and

- the hedging counterparty owing money in the hedging transaction may default on its obligation to pay.

As a result of any of the foregoing, hedging transactions, which will be intended solely to limit losses, could have a material adverse effect on the Company or Project Company. In addition, any such hedge agreements would subject the Company or Project Company to the risk of incurring significant non-cash losses on the Company's (or Project Company's) hedges due to declines in interest rates if the

Company’s or (Project Company’s) hedges were not considered effective under applicable accounting standards.

Material U.S. Federal Income Tax Considerations

Certain tax consequences to the Company's Members will vary from Member to Member depending on the Member's particular circumstances. None of the Manager, its affiliates, or their counsel is providing any tax advice to any prospective Investor. The Company has not sought and will not seek (i) any tax rulings from the Internal Revenue Service (the "*IRS*") or any other tax authorities or (ii) any opinions of counsel in respect of any of the matters discussed herein. Accordingly, each prospective Investor should consult its own advisors regarding all of the U.S. federal, state, local, and non-U.S. tax and regulatory consequences relating to the purchase, ownership, and disposition of an investment in the Company based on each prospective Investor's specific circumstances.

Set forth below is a summary of certain U.S. federal tax considerations related to an investment in the Company. This summary does not constitute tax advice nor does it attempt to present all aspects of the federal income tax laws or any state, local, or foreign laws that may affect an investment in the Company. In particular, banks, dealers in securities or currencies, foreign investors, financial institutions, insurance companies, trusts and estates, U.S. expatriates, persons whose "functional currency" for U.S. federal income tax purposes is not the U.S. dollar, holders of Units as part of a straddle, hedge, or conversion transaction with other investments, persons required to accelerate the recognition of any item of gross income with respect to the Interests as a result of such income being recognized on an applicable financial statement, persons for whom Interests are not capital assets, tax-exempt entities and other investors of special status must consult with their own professional tax advisors as to the tax considerations of an investment in the Company. This discussion also does not generally address U.S. federal tax consequences other than income taxes (such as estate and gift tax consequences). Furthermore, if a partnership or other entity taxable as a partnership holds an investment in the Company, the tax treatment of a partner will generally depend on the status of a partner in, and the activities of, that partnership. This discussion does not address the tax consequences of investing in the Company through a partnership or any other pass-through entity for federal income tax purposes.

In addition, the following discussion, except as provided under "*U.S. Tax Considerations for Non-U.S. Persons*" below and as explicitly noted otherwise, applies only to "U.S. Persons," as defined for U.S. federal income tax purposes, who are beneficial owners of Interests. A "***U.S. Person***" is generally defined as (i) a citizen or individual resident of the United States, (ii) a corporation (or an entity treated as a corporation for federal income tax purposes) created or organized in or under the law of the United States or any political subdivision thereof, (iii) an estate whose income is subject to U.S. federal income tax regardless of its source, or (iv) a trust if (a) it is subject to the primary supervision of a court within the United States and one or more U.S. Persons have the authority to control all substantial decisions of the trust or (b) it has a valid election in effect under applicable United States Treasury Regulations ("***Regulations***") to be treated as a U.S. Person. A "***Non-U.S. Person***" is an Investor that is an individual, corporation, estate, or trust that is not a U.S. Person. As stated above, the following is a summary of the material U.S. federal income tax consequences that will apply to U.S. Persons who are Investors in the Company. The Company has, however, included a brief discussion of certain material tax issues specific to Non-U.S. Persons that invest in the Company.

See the section of this Memorandum captioned "*Risk Factors — Risks Relating to Qualified Opportunity Zone Program*" beginning on page 36 and "*— Risks Relating to Income Tax Matters*" beginning on page 40 concerning risks related to income taxes that a prospective Investor should consider before investing in the Company.

The tax consequences of an investment in the Company will depend not only on the nature of the Company's operations and the then applicable U.S. federal tax principles, but also on certain factual determinations that cannot be made at this time, and upon a particular Member's individual circumstances.

Qualified Opportunity Zone Program; Qualified Opportunity Funds

General. The 2017 Tax Act (defined above on page 13) added Sections 1400Z-1 and 1400Z-2 to the Code, along with the later promulgated corresponding Regulations promulgated thereunder (the Regulations together with the relevant Code sections, the "**QOF Regulations**"). The QOF Regulations allowed states, the District of Columbia, U.S. possessions, and Puerto Rico to designate "qualified opportunity zones" ("***QO Zones***"), which are defined in Code Section 1400Z-1 as specifically designated low-income census tracts and non-low-income contiguous tracts to encourage new capital investment in such areas by permitting taxpayers to temporarily defer the inclusion of eligible capital gain in gross income. To incentivize long-term investment in QO Zones, eligible taxpayers making equity investments (i.e., not debt) in QO Funds (defined above on page 16 under "*Summary of Principal Terms — The Company*") may generally defer the recognition of the capital gains timely invested in the QO Fund and, in general, they may permanently exclude from gross income any gains attributable to the appreciation in their investment in the QO Fund after holding the investment for ten years.

In general, the QOF Benefits are only available to a taxpayer who invests realized capital gains from their sale or exchange of property into a QO Fund in compliance with the QOF Regulations. In general, these provisions require that to make a "***<u>Qualifying Investment</u>***" in a QO Fund, a taxpayer must (i) recognize capital gain (or certain similar gain) from the sale of property to an unrelated (within the meaning of the QOF Regulations) person (the "***Qualified Gain,***" as defined in more detail below), (ii) timely (generally, within 180 days of the day on which the gain would be recognized for Federal income tax purposes if such Partner did not elect under Section 1400Z-2 of the Code to defer recognition of that gain) invest in a QO Fund in cash in an amount equal to or lesser than the amount of the gain (the "***Invested Capital Gain Amount***"), and (iii) timely make the appropriate tax election(s) with respect to the investment in the QO Fund. A Qualifying Investment also require that the taxpayer must acquire a qualifying investment in a QO Fund prior to December 31, 2026. Taxpayers eligible to make a qualifying investment include individuals, C-corporations (such as RICs and REITs), S-corporations, partnerships, and certain other pass-through entities.

A general summary of the steps for making a Qualifying Investment in a QO Fund are summarized below:

1. A QO Fund is formed by self-certifying itself as a QO Fund by completing IRS Form 8996, Qualified Opportunity Fund and attaching the form to the QO Fund's timely filed (including extensions) federal information return for the taxable year.

2. An investor with a recently realized Qualified Gain makes an affirmative election, generally on IRS Form 8949, Sales and Other Dispositions of Capital Assets, to invest the eligible gain into the QO Fund, generally, within 180 days of the date on which the Qualified Gain would be recognized for federal income tax purposes, thereby deferring the recognition of the gain associated with the otherwise currently taxable event. Additional rules regarding when the 180-day period to reinvest gains in a QO Fund are discussed immediately below under "*180-Day Investment Period*." As discussed in more detail below, an investor that makes a Qualifying investment in a QO Fund generally will have an initial tax basis of zero in that their interest in the QO Fund.

3. The QO Fund pools the gain reinvested in the QO Fund by the investor with investments made by other investors in order to acquire QOZ Property (defined below on page 68 under "*Qualified Opportunity Zone Property*").

4. The investor holds the investment in the QO Fund for a certain time as provided in, and subject to, the terms of the organizational documents of the QO Fund.

6. The investor's deferral period with respect to the gain reinvested in the QO Fund generally ends on the earlier to occur of the date on which the investor disposes of his investment in the QO Fund or December 31, 2026.

7. If the investor holds the investment in the QO Fund for at least ten years, in connection with the sale or exchange of such investment, the investor may make an affirmative election on or before December 31, 2047 to either (i) step-up the basis in the QO Fund investment to the fair market value so that any appreciation in the value of the QO Fund investment can be excluded from gross income or (ii) exclude from their income some or all of the gain (other than gain from the sale or exchange of any item of inventory, as defined in section 1221(a)(1) of the Code) arising from the QO Fund's (or that a flow through QOZB in which the QO Fund invests, the Project Company) of property (each a "***10 Year Election***"). Notably, a taxpayer that has made a deferral election under Code Section 1400Z-2(a) is still eligible for the 10 Year Election, even if the QO Zone designation in which the taxpayer has indirectly invested (through the QO Fund) has expired.

While a taxpayer cannot make a second election with respect to gain in which an election is already in effect, so long as the 180-day investment rule is satisfied, a taxpayer may make elections under Code Section 1400Z-2(a) for different portions of the capital gain.

Investors in the Company that are Non-U.S. Persons should take additional care when making a Qualifying Investment in the Company. In general, Non-U.S. Persons can only make a Qualifying Investment in a QO Fund with respect to Qualified Gains that are otherwise subject to federal income tax in their hands (e.g., gains that are effectively connected to a United States trade or business and capital gains from the disposition of a U.S. real property interest by a Non-U.S. Person). The proceeds of such gain may already be subject to significant withholding under applicable United States federal income tax laws. Further, Non-U.S. Persons making a Qualifying Investment generally must affirmatively waive any treaty benefits with respect to any gain that is the basis for their Qualifying Investment in order to be able to make a Qualifying Investment with respect to such gain. Non-U.S. Persons are urged to consult with their own tax advisor regarding the requirements for making a Qualifying Investment in the Company.

Code Section 1400Z-2(e)(1) provides that in the case of an investment in a QO Fund in which only a portion of such investment consists of gain to which a deferral election is in effect, the investment will be treated as two separate investments. The portion of the investment to which an election is not in effect is ineligible for the QOF Benefits.

180-Day Investment Period. To be entitled to QOF Benefits, a taxpayer must make a timely investment of Qualified Gain into a QO Fund. The Qualified Gain must have been generated from a sale to an unrelated party within the applicable 180 days period and the investor must timely elect to treat such investment as an investment in a QO Fund. In general, the 180-day period begins on the day on which the capital gain would be recognized for Federal income tax purposes if the investor did not elect to defer recognition under the QOF Regulations.

- Special 180-Day Investment Period for Section 1231 Property. Initially, the proposed Regulations required a taxpayer to aggregate all Section 1231 (of the Code) gains and losses and make a determination of the net capital gain on the last day of the taxable year. Accordingly, under those proposed Regulations, a taxpayer's 180-day investment period for Section 1231 property (including most improved real property) generally began on December 31 of the year in which a sale or other disposition of the Section 1231 property occurred (rather than 180 days from the date of the actual sale transaction). The proposed Regulations provided that only net section 1231 gain would be eligible for deferral as Qualified Gain (*i.e.*, only Section 1231 gain that would be characterized as long-term capital gain after the netting process had been completed). However, the final Regulations provide that Qualified Gain includes "gross" section 1231 gains (other than Section 1231 gain that is recaptured and treated as ordinary income under Sections 1245 or 1250) unreduced by Section 1231 losses. Under the final Regulations an investor generally would not need to wait until the end of the year (*i.e.*, until completion of the netting calculation) to make an investment in a QO Fund and the 180-day period would generally start on the date of the sale of such property.

- Special Rules for Pass-Through Entities. A partnership is an eligible taxpayer under the QOF Regulations and may elect to defer recognition of some or all of its Qualified Gains under the QOF Regulations. If a partnership properly makes an election under the QOF Regulations, then (i) the partnership defers recognition of the gain under the QOF Regulations and (ii) the deferred gain is not allocated to the partners. Any amount of deferred gain that an electing partnership subsequently must include in income under the QOF Regulations is recognized by the electing partnership at the time of inclusion and is allocated to the partners at the time of recognition.

  If a partnership does not elect to defer some, or all, of the gains for which it could make an election under the QOF Regulations:

  (i) the gains for which a deferral election are not made by the partnership are included in the partners' allocation of income,

  (ii) if a partner's allocation of income includes one or more gains that are Qualified Gains with respect to the partner, the partner may elect under the QOF Regulations to defer some or all of its Qualified Gains that are invested in a QO Fund, and

  (iii) a gain in a partner's allocation of income is a Qualified Gain with respect to the partner only if it is an Qualified Gain with respect to the partnership and it did not arise from a sale or exchange with a person that, within the meaning of Code Section 1400Z-2(e)(2), is related to the partner.

If a partner's allocation of income includes a gain that is a Qualified Gain with respect to the partner, the 180-day period with respect to the partner's Qualified Gains in the partner's allocation of income generally begins on the last day of the partnership taxable year in which the partner's allocable share of the partnership's Qualified Gain is taken into account. Notwithstanding the above (and subject to certain additional requirements), if a partnership does not elect to defer all of its Qualified Gain, the partner may elect to treat the partner's own 180-day period with respect to the partner's allocation of that gain as being the same as the partnership's 180-day period.

Qualified Opportunity Fund. A QO Fund is an investment vehicle treated for federal income tax purposes as a corporation or a partnership (including previously existing entities and limited liability companies that meet all other applicable Code Section 1400Z-2 requirements) that (1) is organized for the purpose of investing in QOZ Property, (2) holds at least 90% of its assets in QOZ Property, and (3) self-certifies as a QO Fund by completing IRS Form 8996 and attaching the form to its timely filed (including extensions) federal tax return for the taxable year. The determination of whether a QO Fund holds at least 90% of its assets in QOZ Property (i.e., whether the QO Fund satisfies the 90% Asset Test (defined above on page 38 under "*Risk Factors — Risks Relating to Qualified Opportunity Zone Program — There can be no assurance that the Company will satisfy the 90% Asset Test, and the Company may be subject to penalties for failing to satisfy the 90% Asset Test*")) is made, in general, (A) on the last day of the first six-month period of the QO Fund's taxable year, and (B) on the last day of the QO Fund's taxable year. A QO Fund is permitted to identify the initial month and tax year in which it becomes a QO Fund.

Qualified Opportunity Zone Property. "***QOZ Property***" means any asset that is "qualified opportunity zone stock," a "qualified opportunity zone partnership interest," or "qualified opportunity zone business property," as those terms are defined in Code Sections 1400Z-2(d)(2)(B) through (D).

- Qualified opportunity zone stock is stock in a domestic corporation acquired by the QO Fund after December 31, 2017, at its original issue, solely in exchange for cash. At the time the stock is issued, the corporation must be a QOZB (defined above on page 68 under "*Risk Factors — Risks Relating to Qualified Opportunity Zone Program — The Company may invest in businesses that fail to qualify as QOZ Property*") (or, in the case of a new corporation, be organized for the purpose of being a QOZB) and must remain a QOZB for substantially all of the QO Fund's holding period of such stock.

- A qualified opportunity zone partnership interest is a domestic partnership interest acquired by the QO Fund after December 31, 2017, solely in exchange for cash. At the time the partnership interest is issued, the partnership must be a QOZB (or, in the case of a new partnership, be organized for the purpose of being a QOZB) and must remain a QOZB for substantially all of the QO Fund's holding period of such partnership interest.

- Qualified opportunity zone business property (defined above on page 68 as "***QOZBP***" under "*Risk Factors — Risks Relating to Qualified Opportunity Zone Program — The Company may invest in businesses that fail to qualify as QOZ Property*") means tangible property used in a trade or business of a QO Fund if (1) such property is acquired by purchase (as defined in Code Section 179(d)(2) to generally mean that the property is acquired from an unrelated party) after December 31, 2017, (2) the original use of such property in the QO Zone begins with the QO Fund or the QO Fund substantially improves the property, and (3) substantially all of the use of such property is in a QO Zone during substantially all of the QO Fund's holding period for the property. QOZBP will be treated as substantially improved by a QO Fund if during any 30-month period commencing after the date of acquisition, additions to the basis of such property in the hands of the QO Fund exceed the adjusted basis of such property at the beginning of the 30-month period.

Qualified Opportunity Zone Business. Stock does not qualify as qualified opportunity zone stock or partnership interests as qualified opportunity zone partnership interests unless the underlying corporation or partnership, as applicable, carries on a trade or business that satisfies the following requirements, and is thus, a QOZB:

- at least 70% of the tangible property owned or leased by the corporation/partnership must consist of QOZBP;

- at least 50% of the gross income of the corporation/partnership must be derived from the active conduct of its trade or business in QO Zones (this requirement can be satisfied under a series of safe harbors);

- a substantial portion (at least 40%) of the corporation/partnership entity's intangible property (e.g., intellectual property, licenses and goodwill) must be used in carrying on the active conduct of a trade or business in QO Zones;

- less than 5% of property (measured by the average unadjusted tax bases of all property) of the corporation/partnership may be nonqualified financial property (which includes stock, partnership interests, debt, options and other similar passive investment assets); and

- the corporation/partnership may not operate a golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other gambling facility or a liquor store.

90% Asset Test. As previously indicated, a QO Fund must hold at least 90% of its assets in QOZ Property — i.e., a QO Fund must satisfy the 90% Asset Test as of the applicable testing dates. The testing dates for the 90% Asset Test are (1) on the last day of the first six-month period of the taxable year of the QO Fund and (2) on the last day of the taxable year of the QO Fund.

If an entity becomes a QO Fund in a month other than the first month of its taxable year, then the first 6-month period for purposes of the 90% Asset Test is comprised only of the months in that initial tax year during which the entity is a QO Fund. For example, if a calendar-year entity created in February chooses to become a QO Fund in April, the 90% Asset Test measuring dates for the QO Fund are September 30 and December 31; whereas if the QO Fund chooses July or later as its first month as a QO Fund, then the only testing date for that tax year is December 31.

Satisfaction of the 90% Asset Test is determined by the average ratio of qualifying assets to total assets as of the two 90% Asset Test testing dates (described above). QO Funds will report annual compliance with the 90% Asset Test on IRS Form 8996, Qualified Opportunity Fund, which is also the form by which self-certification is accomplished.

Penalty for Failing the 90% Asset Test. If the QO Fund does not satisfy the 90% Asset Test, then the QO Fund must pay a penalty for each month that it fails to do so, unless the QO Fund can show that such failure is due to reasonable cause. The amount of the penalty is equal to the excess of (1) the amount equal to 90% of the aggregate assets of the QO Fund, over (2) the aggregate amount of QOZ Property held by the QO Fund, multiplied by the underpayment rate established in Code Section 6621(A)(2) for each month. If the QO Fund is organized as a partnership for federal income tax purposes, the penalty is taken into account proportionately as part of each partner's distributive share of the partnership's expenses.

Qualified Opportunity Zones. As indicated, the QOF Regulations mandates that a QO Fund make direct or indirect investments in one or more QO Zones. QO Zones are population census tracts that are low-income communities and non-low-income contiguous tracts designated as QO Zones. The chief executive officers (governors, or the mayor in the case of the District of Columbia) of each state, the District of Columbia, U.S. possessions, and Puerto Rico had 90 days from the date of enactment of the 2017 Tax Act to nominate census tracts for designation as QO Zones by notifying the Treasury Secretary in writing. The chief executive officers had the opportunity to request and receive a 30-day extension through April 20, 2018.

From the time it received a chief executive officer's nomination, the Treasury Department had 30 days in which to designate the nominated tracts as QO Zones. Once designated by the Treasury Department, each QO Zone exists from the date of designation until December 31 of the tenth calendar year beginning on or after its designation.

QO Zones have been designated in all 50 states, the District of Columbia, and five U.S. possessions (including Puerto Rico). The official list of QO Zone designations was published on July 9, 2018 in IRS Notice 2018-48, 2018-28 Internal Revenue Bulletin 9.

Income Taxation of the Company and Members

General. Assuming that the Company is classified as a partnership for federal income tax purposes, the Company will not be subject to federal income taxes. Instead, each Member will be required to report on its own income tax returns its distributive share (whether or not distributed) of the items of Company income, gains, losses, deductions, and credits. The character of such items, determined at the Company level, will pass through to the Members (for example, Members will treat as interest, dividends, or capital gains, their distributive shares of such items recognized by the Company).

Members will be taxed on the Company's income regardless of whether they receive distributions from the Company. Thus, it is possible that a Member could incur income tax liability with respect to its share of the income of the Company without receiving a distribution from the Company to pay such liability. In general, cash distributions from the Company to a Member (including a deemed distribution from a reduction in the Member's share of Company liabilities) will not be taxable except to the extent distributions during a year exceed the Member's share of the Company's taxable income for the year and the Member's tax basis in its Interest in the Company.

The Company will use the income tax basis of accounting to report income and deductions for tax purposes and will compute distributions based on actual cash receipts, disbursements, and reserves. It will report on the basis of a taxable year, which is generally the calendar year, or other taxable period as may be required by the Code. The Company will file an annual federal tax return, Form 1065, reporting its operations for each taxable year or taxable period to the IRS and, after each taxable year or taxable period, will provide Members with the information on Schedule K-1 to Form 1065 necessary to enable them to include in their tax returns the tax information arising from their investments in the Company. Code Section 6222 requires that Members file their returns in a manner consistent with the treatment of the partnership items on the Company's returns, unless a statement is filed with the IRS identifying the inconsistency. The 2017 Tax Act (defined above on page 13) added section 199A to the Code, which reduces the income tax imposed on qualified business income ("***QBI***") derived by an individual, estate, or trust from a partnership, S-corporation or sole proprietorship by creating a new deduction of up to 20% of the QBI of each individual, subject to certain limitations based on either wages paid or wages paid plus a capital element. Accordingly, the top marginal tax rate on QBI that qualifies for the 20% deduction under the 2017 Tax Act is 29.6%. These provisions are effective for taxable years beginning after December 31, 2017, and will expire on December 31, 2025. "Qualified business income" is domestic qualified items of income, gain, deduction, and loss from a "qualified business." A "qualified business" generally does not include financial services and performance services that consist of investment or investment management. However, the 20% deduction would still apply to non-qualified businesses if the non-corporate partner's income does not exceed certain thresholds.

MEMBERS SHOULD CONSULT WITH THEIR TAX ADVISORS TO DETERMINE WHETHER THEY QUALIFY FOR THE DEDUCTION UNDER CODE SECTION 199A.

Contributions. Generally, a contribution of cash to the Company is not a taxable event to the contributing Member or to the Company. Although it may accept property as a contribution to the Company, the Manager generally does not expect to do so. A Member that contributes property to the

Company could be subject to tax on any appreciation in such property; however, no loss would be allowed at the time of contribution if the property had declined in value.

Tax Basis. The tax basis of a Member's Interest in the Company is used to determine if gain or loss is realized upon a sale of an Interest or upon the receipt of cash distributions from the Company. Additionally, and as discussed below, a Member is allowed to deduct Company losses only to the extent of such basis. A Member's adjusted tax basis for his, her, or its Interests will equal his, her, or its initial tax basis in the Interests increased by (i) any further Capital Contributions (except to the extent made in connection with a Qualifying Investment), (ii) his, her, or its distributive share of the Company's income (including tax-exempt income), and (iii) any increase in his, her, or its share of any debt of the Company and decreased (but not below zero) by (a) distributions (including withdrawals) made to him, her, or it, (b) his, her, or its distributive share of any Company deductions or losses, and (c) any decrease in his, her, or its share of any debt of the Company.

A Member's tax basis in a Qualifying Investment in the Company is initially zero because of special tax basis rules that apply to Members that make Qualifying Investments in the Company. Because it is anticipated that the Members will make Qualifying Investments in the Company under the QOF Regulations, each Investor is expected to have an initial tax basis in its Interests equal to zero. To the extent a Member does not make a Qualifying Investment, such Member's basis in its Interests in the Company initially will equal its contribution to the capital of the Company. The following is a summary of the special tax basis rules for Qualifying Investments in the Company:

1. Initially, a Member's tax basis in a Qualifying Investment is zero.

2. The adjusted tax basis of a Qualifying Investment in the Company is increased by the amount of the deferred capital gain invested in the Company realized on December 31, 2026 (or, if earlier, the sale or exchange of the applicable Interest in the Company or another inclusion event).

3. If a Member continuously holds their Qualifying Investment in the Company for 10 years or more and makes a proper election, the adjusted tax basis of their Interest in the Company is increased to either (i) equal the fair market value of their Interest in the Company on the date their Interest is sold or exchanged or (ii) include income that flows through to the Member, but can be excluded from their income, as a result of the Company's sale of QOZ Property and other assets disposed of by the Company and its QOZB subsidiaries. For additional discussion on the basis adjustments that may be available under the QOF Regulations after Investors have held their interests in the Company for at least 10 years see "*Material U.S. Federal Income Tax Considerations—Qualified Opportunity Zone Program; Qualified Opportunity Funds*" beginning on page 65 above.

Distributions. A Member may be taxed on his, her, or its "distributive" share of the Company's taxable income or gain regardless of whether he, she, or it has received any corresponding distribution from the Company. Whether a particular distribution (generally upon a withdrawal of capital) causes the Member receiving it to realize taxable income or tax loss depends on whether assets other than cash are distributed, whether the Member remains a Member after the distribution/withdrawal (i.e., whether the distribution "liquidates" all of the Member's Interests) and the relation of the cash distributed to the Member's basis in his, her, or its Interests.

Where a Member remains a Member after a withdrawal or other distribution, a distribution generally will cause him, her, or it to realize taxable income only if and to the extent the cash distributed exceeds the Member's adjusted basis in his, her, or its Interests. For these purposes, any decrease in a Member's share of the Company's debt will be treated as a distribution of cash to the Member. Distributions to continuing Members will not cause tax losses to be realized. Cash distributions will reduce the receiving Member's basis in his, her, or its Interests. Taxable gain upon a distribution would generally be taxable as short-term or long-term capital gain, depending on the Member's holding period for the Interests. In addition, in the event the Company were deemed to have "unrealized receivables" or "inventory" at the time of a distribution, Code Section 751 could require different treatment.

A distribution of property other than cash to a continuing Member should not result in taxable income or loss to the Company or to the receiving Member (again, except to the extent Code Section 751 applies). The distributee Member's basis in the distributed property will be the lesser of (i) the adjusted basis of the property in the hands of the Company and (ii) the adjusted basis of the Member's Interests (after reduction for any cash he, she, or it received as part of the distribution). The basis of a Member's Interests will be reduced by the basis of the property distributed to that Member.

When a Member withdraws from the Company completely or his, her, or its Interests is terminated because the Company is liquidated, as with non-liquidating distributions, he, she, or it will recognize gain only to the extent the cash distributed exceeds the adjusted basis in his, her, or its Interests. Unlike with non-liquidating distributions, loss may be recognized if no property other than cash is distributed and the cash distributed is less than the Member's adjusted basis in his, her, or its Interests. If property other than cash is distributed, although gain will be recognized to the extent the cash exceeds the Member's adjusted basis, no loss will be recognized, regardless of the value of the non-cash property distributed. The Member's basis in non-cash property so distributed will be equal to the adjusted basis of their Interests immediately before the distribution decreased (but not below zero) by any cash received in the liquidation.

Although a Member generally will not recognize gain or loss on distributions, a Member will recognize gain on a distribution of cash or marketable securities (including any constructive distribution of money resulting from a reduction in the Member's share of the indebtedness of the Company) to the extent such distribution exceeds such Member's adjusted tax basis in their Interests. As noted above, an Investor's tax basis in their Interests will not, prior to December 31, 2026, include the full amount of the Investor's cash investment in the Company. In general, the amount of the distribution, if any, that is in excess of tax basis will be considered to be gain from the sale of an Interest in the Company and generally taxable as capital gain except to the extent attributable to certain ordinary income items of the Company. Further a distribution in excess of basis prior to December 31, 2026 generally will result in an inclusion event that will trigger a portion of the previously deferred Invested Capital Gain Amount.

Deductibility of Losses and Expenses. As discussed immediately below, the Code imposes various limitations on the ability of taxpayers to use losses and deductions arising from investments in entities such as the Company. Each Member should consult with its own tax advisor regarding the Member's ability to deduct losses allocated by the Company based on such Member's particular circumstances.

> Investment Interest. Except as described herein, interest on any amount borrowed by an individual Member to purchase an Interest (or fund a Capital Contribution to the Company) generally will be "investment interest," which will be deductible only to the extent of the Member's "net investment income." For this purpose, net investment income will generally include net income from the Company and other income from property held for investment (other than income treated as passive activity income, described below). Qualified dividend income and long-term capital gain are excluded from the definition of net investment income unless the Member makes a special election to treat such qualified dividend income or capital gain as ordinary income. Because of the uncertainties that exist regarding this area of the law, potential investors are advised to consult their own tax advisors concerning the issues discussed in this subsection.
>
> Adjusted Tax Basis of Interests. A Member may not deduct losses in excess of the adjusted tax basis of his, her, or its Interests at the end of the year in which the loss is incurred. As noted

above, the initial tax basis of Members making a Qualifying Investment in the Company will be zero. Losses in excess of a Member's adjusted tax basis may be carried over to succeeding taxable years when the same limitation will apply (see "Tax Basis" above on page 71).

Amounts at Risk. The amount of loss an individual, estate, or trust, or a closely held C-corporation may deduct is limited to the amount that a Member is "at risk" as to the Company. Where such a Member has financed an investment in the Company with certain types of nonrecourse borrowing, that Member's amount "at risk" could be less than his, her, or its adjusted tax basis in his, her, or its Interests. In addition, in the event the Company borrowed on a nonrecourse basis, certain of those borrowings could increase a Member's basis without increasing his, her, or its amount at risk. Any deductions that are disallowed under this limitation may be carried forward indefinitely and utilized in subsequent years to the extent that a Member's "amount at risk" is increased in those years.

Passive Activity Losses. Passive activities generally include any activity involving the conduct of a trade or business in which the taxpayer does not materially participate. It is likely that a Member's interest in the Company will be treated as a passive activity. Accordingly, Company income and loss, other than interest income that will constitute portfolio income, will generally constitute passive activity income and passive activity loss to Members. Losses from passive activities are generally deductible only to the extent of a Member's income or gains from passive activities and will not be allowed as an offset against other income, including salary or other compensation for personal services, active business income or portfolio income, which includes non-business income derived from dividends, interest, royalties, annuities and gains from the sale of property held for investment.

Capital Gains and Losses. Net capital losses of the Company allocated to a Member for a taxable year will be deductible by a Member that is a corporation to the extent of the corporate Member's capital gains and by an individual Member to the extent of his, her, or its capital gains plus $3,000. An individual Member may carry forward any unused capital loss indefinitely to succeeding taxable years and a corporate Member generally will be entitled to a three-year carryback and a five-year carryforward of any unused capital loss.

Miscellaneous Itemized Deductions. Prior to January 1, 2018, under Code Section 67, individuals could deduct certain miscellaneous expenses (e.g., investment advisory fees, tax preparation fees, unreimbursed employee expenses, subscriptions to professional journals) only to the extent such deductions exceeded, in the aggregate, two percent (2.0%) of the individual's adjusted gross income. For taxable years beginning after December 31, 2017, and before January 1, 2026, the 2017 Tax Act suspends the deduction for miscellaneous itemized deductions.

Organizational and Syndication Expenses. In general, neither the Company nor any Member may deduct organizational or syndication expenses. However, a partnership may elect (i) to deduct organizational expenses of up to $5,000, subject to certain limits, in its first taxable year and (ii) to amortize any remaining organizational expenses over a 180-month period beginning with the month in which the partnership begins business. Syndication fees (which would include placement fees or commissions paid by Company), on the other hand, must be capitalized and cannot be amortized or otherwise deducted. While a Member's share of the placement fees of the Company is not deductible, it will become a part of a Member's tax basis for its Interest (resulting in a capital loss for a Member upon liquidation of Company that may offset capital gains allocated to such Member in the year of liquidation, or a reduction in the gain (or increase in the capital loss) upon a sale of the Member's Interest) (if applicable).

Non-Corporate Loss Limitation. The 2017 Tax Act limits the deductibility of excess business losses for non-corporate taxpayers for tax years beginning after December 31, 2017, and before January 1, 2026. Excess business losses are defined as the excess of the taxpayer's aggregate deductions that are attributable to trades or businesses of the taxpayer over the excess of aggregate gross income or gain of such taxpayer for the tax year that is attributable to such trades or businesses, plus $250,000 (or $500,000 in the case of a joint return). Disallowed excess business losses would be treated as a net operating loss carryforward to the next year under the rules applicable to net operating losses. This loss limitation would be applied after the application of the passive activity rules under section 469. For partnerships and S corporations, the provision would be applied at the partner or shareholder level.

Taxable Sales or Exchanges. The Company may dispose of QOZ Property through a taxable sale or exchange. In such cases, Members will be allocated any associated gain or loss, as discussed under "*Allocations of Income, Gain, Loss, Deduction, and Credits*" below.

The Company expects to recognize both long-term and short-term capital gain, and may also recognize ordinary income, in connection with various investments. It is possible that the Company will recognize capital losses for federal income tax purposes, the deductibility of which may be limited.

The Company may directly or indirectly enter into positions designed to reduce certain market risks ("***hedges***"). These hedges may be subject to special provisions of the Code that, among other things, may affect the character of gains and losses (whether capital or ordinary), defer losses or affect the determination whether capital gains and losses are characterized as long-term or short-term.

If the Company disposes of real property, a U.S. Member would generally recognize gain or loss equal to its distributive share of the difference between the amount realized and the adjusted basis of such property. The amount of any indebtedness that is extinguished, or from which the selling entity would otherwise be relieved, would be included as part of the amount realized in computing the gain or loss realized upon such disposition. The gain or loss allocable to a U.S. Member will be ordinary or capital, depending on the period of time the real estate asset was held by the Company and the possible application of certain provisions of the Code. Any loss allocated to a U.S. Member will be subject to certain loss disallowance rules discussed below.

Alternative Minimum Tax. Prospective Members that are subject to the alternative minimum tax (the "***AMT***") should consider with their tax advisors the tax consequences of an investment in the Company in view of their AMT position, taking into account the special rules that apply in computing the AMT, including the special limitations as to the use of net operating losses and, in the case of individual taxpayers, the complete disallowance of miscellaneous itemized deductions and deductions for state and local taxes.

Medicare Tax. Allocations of income and distributions from, and capital gains recognized by, certain U.S. individuals, estates, or trusts with respect to the Company may be subject to a 3.8% "net investment income tax" in addition to any other U.S. federal income tax liabilities with respect to such income.

Business Interest Expense Limitation. Code Section 163(j) provides that a taxpayer will generally be prohibited from deducting business interest expenses (i.e., interest that is properly allocable to a trade or business) that exceed the sum of (i) business interest income and (ii) 30% of adjusted taxable income. For tax years beginning in 2018 through 2021, adjusted taxable income is defined as taxable income other than (1) items not allocable to a trade or business; (2) business interest income and deductions; (3) depreciation, amortization, and depletion; (4) the 20% deduction for qualified business income; and (5) net operating losses. For tax years beginning in 2022, depreciation, amortization, and depletion must be deducted in determining adjusted taxable income.

If the Company is considered to be engaged in a trade or business, the limitation could apply to the Company. Taxpayers with average gross receipts of less than $25 million, based on certain attribution rules, over the preceding three taxable years are generally excluded from the application of the new interest expense limitation. In addition, a taxpayer may make an irrevocable election to be excluded from the new interest expense limitation provision if such person is engaged in a real property trade or business under Code Section 469(c)(7)(C). If a taxpayer makes such an election, it must depreciate non-residential real property, residential real property, and qualified improvement property using the alternative depreciation system, which disallows use of 100% bonus depreciation. The Manager has not yet analyzed whether this election would be advantageous to the Company and its Members.

U.S. Tax Considerations for Non-U.S. Persons

The tax consequences applicable to prospective Investors that are Non-U.S. Persons generally will depend on whether the Company is deemed to be engaged in a U.S. trade or business. Based on the nature of the investments anticipated to be made by the Company, and the nature of the activities contemplated by the Company and the Project Company, the Manager believes that the Company likely will be deemed to be engaged in a U.S. trade or business. As a result, Non-U.S. Persons holding a direct interest in the Company will be subject to federal income tax each year on its distributive share of the taxable income of the Company that is deemed to be "effectively connected" with a U.S. trade or business and will be required to file a U.S. federal income tax return, as if such investor were a U.S. citizen or resident, regardless of whether the Company makes any cash distributions. An individual Non-U.S. Person that directly invests (without the use of a "blocker" entity) in the Company would also (i) be subject to U.S. (and potentially state) estate tax with respect to the value of his or her interest in the Company and (ii) have to file state tax returns in states in which the Company and its subsidiaries are considered to be engaged in business.

A federal withholding tax generally will be imposed on a Non-U.S. Person's allocable share of any taxable income of the Company that is "effectively connected" with a U.S. trade or business (whether or not such income is distributed). The relevant withholding percentage generally is the maximum United States federal income tax rate for the Non-U.S. Person allocated the taxable share of the Company's income, depending other whether such Non-U.S. Person is an individual or corporations, as applicable.. Such withholding tax may be claimed as a credit against such Investor's substantive U.S. tax liability. There also may be state or local tax withholding. Prospective Investors that are foreign corporations also should be aware that the 30% "branch profits tax" and "branch-level interest tax" imposed by Code Section 884 would apply to an investment in the Company by a corporate Non-U.S. Person, although the tax rate may be reduced or the tax eliminated entirely for residents of certain foreign countries with tax treaties with the United States.

In addition, to the extent that the Company realizes any fixed, determinable, annual or periodical income (such as interest and dividend income) that is not effectively connected with a U.S. trade or business (including dividend income arising from investments in "qualified opportunity zone stock"), such income distributed or allocable to a Non-U.S. Person generally will be subject to a 30% federal withholding tax. Such withholding tax may be reduced or eliminated with respect to certain types of such income under any applicable income tax treaty between the U.S. and the Non-U.S. Person's country of residence or under the "portfolio interest" rules contained in Code Section 871 or 881, provided that the Non-U.S. Person provides proper certification as to the Investor's eligibility for such treatment (although the Manager believes that any interest income that the Company earns or generates is unlikely to qualify as "portfolio interest").

Under the LLC Agreement, each Investor generally will be personally liable to the Company with respect to any withholding tax not satisfied out of that Investor's share of any distributions by the Company.

In addition to the tax matters discussed immediately above, an investment by a Non-U.S. Person in the Company will likely implicate the provisions of FIRPTA (defined above on page 43). FIRPTA may be applicable because the Company is expected to own one or more "United States real property interests." A "United States real property interest" (a "USRPI") generally means an ownership interest in real property located in the U.S. or the U.S. Virgin Islands and any equity interest in certain domestic corporations or partnerships that hold real property interests. Any gain or loss of a foreign person that is realized in connection with the actual or constructive disposition of a USRPI generally would be treated as gain or loss effectively connected with a trade or business engaged in by the taxpayer in the United States and would be subject to federal and possibly state and local income tax. Any gain or loss allocable to a Non-U.S. Person arising from a disposition by the Company of a USRPI would be so taxable, and, upon such a disposition, the Company would be required to withhold a federal tax equal to 21% (or, to the extent provided under the Regulations, equal to 20% in certain circumstances) of the gain realized, unless the Company is required to withhold under the rules described above for the "effectively connected" income of Members.

In addition, to the extent attributable to USRPIs owned by the Company, the amount realized by a Non-U.S. Person on a sale or exchange of its Interests would be treated as received in exchange for a USRPI. Consequently, gain or loss, to the extent so attributable, would be subject to federal income tax and the gross proceeds from such sale or exchange may become subject to a 15% withholding tax. However, if 50% or more of the value of the gross assets of the Company consists of USRPIs and 90% or more of the value of the gross assets of the Company consists of USRPIs plus cash or cash equivalents, then the Interests will be treated in their entirety as a USRPI for purposes of such withholding tax. As a result, the entire proceeds of a Non-U.S. Person's sale or exchange of its Interests generally would be expected to be subject to a 15% withholding tax. If such 15% withholding rate is applied to a disposition of Interests in the Company by a Non-U.S. Person, the 10% withholding rate that typically applies to the amount realized on the disposition of interests in an entity taxed as a partnership that is treated as engaged in a trade or business in the United States would generally not apply.

Amounts withheld for federal income taxes may be claimed as a credit against an Investor's substantive U.S. income tax liability.

Allocations of Income, Gain, Loss, Deduction, and Credits

Generally. Pursuant to the LLC Agreement, the Company's items of taxable income, gain, loss, deduction, and credits are allocated to as to take into account the varying interests of the Members over the term of the Company. Section 704(b) of the Code provides that a partner's distributive share of items of partnership income, gain, loss, deduction, and credits will be determined in accordance with the partnership agreement if such allocations have "substantial economic effect" or are otherwise determined to be in accordance with such partner's economic interest in the partnership. The Manager believes that the allocations provided for in the LLC Agreement should have "substantial economic effect" and therefore should be respected by the IRS. If the IRS were to disagree, any reallocation of tax items may have adverse tax consequences to the Members.

Tax Allocations with Respect to Contributed Property. Pursuant to Section 704(c), income, gain, loss, and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership must be allocated for U.S. federal income tax purposes in a manner such that the contributing partner is charged with, or benefits from, the unrealized gain or unrealized loss associated with the property at the time of the contribution. The amount of unrealized gain or unrealized loss is generally equal to the difference between the fair market value of the contributed property at the time of contribution and the adjusted tax basis of such property at the time of contribution. A similar disparity between the tax basis of property owned by the Company and its book value can be created when the Company is to required to revalue its assets (a "book up") pursuant to the Regulations under Section 704(b). Under applicable Regulations, partnerships are required to use a "reasonable method" for allocating items subject to Code Section 704(c), and several reasonable allocation methods are described therein. Members may not contribute property to the Company without the consent of the Manager. The Manager currently does not intend to permit Members to contribute property to the fund.

Under the LLC Agreement, depreciation or amortization deductions of Company generally will be allocated among Members in accordance with their respective Interests in Company, except to the extent the Company is required under Section 704(c) to use a different method for allocating depreciation deductions attributable to its properties which could result in certain Members receiving a disproportionately larger share of such deductions and other Members receiving a disproportionately smaller share of such deductions. In addition, gain or loss on the sale of a property that has been contributed to the Company will be specially allocated to the contributing Members to the extent of any built-in gain or loss with respect to the property at the time of contribution to the Company. It is possible that a Member may (1) be allocated lower amounts of depreciation deductions for tax purposes with respect to properties effectively contributed (in part or in full) by such Member than would be allocated to such Member if each such property were to have a tax basis equal to its fair market value at the time of contribution and (2) be allocated taxable gain in the event of a sale of such contributed properties in excess of the economic profit allocated to such Member as a result of such sale. These allocations may cause a Member to recognize taxable income in excess of cash proceeds received by such Member. In addition, the timing of the allocation to Member of taxable gain in respect of any built-in gain on contributed properties will depend upon the dates on which such contributed properties are sold, which is unpredictable.

Basis Adjustments

Elective Adjustments. Under Code Section 754, the Company can elect to adjust the basis of Company property upon the transfer of an Interest so that the transferee would be treated, for purposes of calculating depreciation and realizing gain, as though it had acquired a direct interest in the Company assets. The Manager has the sole and absolute authority to make a Section 754 election on behalf of any of the Members in the Company. If the Manager determines not to make a Section 754 election, depreciation available to a transferee of an Interest will be limited to the transferor's share of the remaining depreciable basis of the Company's properties, and upon a sale of a property, taxable income or loss to the transferee of an Interest will be measured by the difference between its share of the amount realized upon such sale and its share of the Company's tax basis in the property, which may result in greater tax liability than if a Section 754 election had been made. The absence of such a Section 754 election by the Company may result in Members having greater difficulty in selling their Interest in the Company.

Mandatory Adjustments. Upon certain transfers of Interests, Code Section 743 may require the Company to adjust its tax basis in its assets. Any such adjustment (which is personal to the transferee) could result in the Company allocating more income or gain or less depreciation or loss to a transferee of an Interest than would have been allocable to them in the absence of any adjustment. Any transferee will also be required to bear the reasonable costs of complying with Code Section 743.

Withholding Taxes

The Manager, in its discretion, may withhold and pay any taxes that the Manager deems payable with respect to any Members, as applicable, and any such taxes may be deducted from any distribution otherwise payable to such Members. For specific federal withholding tax obligations related to Non-U.S.

Persons, see the sections of this Section titled “U.S. Tax Considerations for Non-U.S. Persons” and “Foreign Accounts and FATCA” beginning on pages 75 and 78, respectively.

Foreign Accounts and FATCA

Under the Foreign Account Tax Compliance Act, commonly referred to as FATCA, if certain disclosure requirements related to U.S. accounts or ownership are not satisfied the Company will be required to deduct a 30% withholding tax from payments of certain U.S. source income, including dividends and interest, made to Investors that are Non-U.S. Persons unless such Non-U.S. Persons are individuals or establish an exemption from this withholding tax. FATCA withholding tax cannot be reduced under a tax treaty. The Treasury Department has released proposed Regulations which, if finalized in their present form, would eliminate the federal withholding tax of 30% applicable to the proceeds of a sale or other disposition of stock or securities. In its preamble to such proposed Regulations, the Treasury Department stated that taxpayers may generally rely on the proposed Regulations until final Regulations are issued. Each Investor that is a Non-U.S. Person will be required to provide the Company any and all information required for the Company to meet its obligations under FATCA. The purpose of FATCA is to ensure that foreign entities receiving payments from U.S. sources disclose all of their direct or indirect U.S. owners. The foregoing is only a general summary of certain provisions of FATCA. The Company will not pay any additional amounts in respect of any amounts withheld, and prospective Investors should consult their tax advisors regarding the application of FATCA to an investment in the Company.

State and Local Taxes

The foregoing discussion does not address the state and local tax consequences of an investment in the Company, and prospective Members again are urged to consult their own advisors with respect thereto.

Prospective Investors should consider the potential state and local tax consequences of an investment in the Company. The Company, as well as the Members, may be subject to various state and local taxes. In addition to being taxed in its own state or locality of residence, a Member may be subject to tax return filing obligations and income, franchise, and other taxes in jurisdictions in which the Company operates. Further, the Company may be subject to state and/or local tax on the portion of its operations deemed conducted within such taxing jurisdictions. Certain of such states may require the Company to withhold state taxes on Company income sourced in such state to the extent allocable to nonresidents (which amounts so withheld from a Member will be treated as distributions to such Member). The foregoing taxation may also be in addition to taxation by the Member’s state of residence (which may grant a tax credit for taxes paid in other states).

Backup Withholding

Under the backup withholding rules, a Member may be subject to backup withholding tax (currently at the rate of 24%) with respect to distributions paid, unless (i) such Member comes within an exempt category and demonstrates this fact when required or (ii) such Member provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding tax, and otherwise complies with the requirements of the backup withholding tax rules. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a Member will be allowed as a credit against such Member’s federal income tax liability and may entitle such Member to a refund from the IRS, provided Member supplied the required information to the IRS in a timely manner.

Administrative Matters

Audits and Adjustments to Tax Liability. The partnership audit rules, as written, do not entitle partners to mount their own defense of the tax position at issue. Under the law, significant power is vested in a designated "partnership representative." If a partnership's taxable year is audited by the IRS, then both the partners and the partnership will be bound by the actions taken by the partnership representative. The LLC Agreement specifies that the Manager is designated as the partnership representative (the "***Partnership Representative***").

The partnership audit procedures provide that any adjustment to a partnership's items of income, gain, loss, deduction, or credit (and any partner's distributive share of such adjustment) is determined at the partnership level. Taxes and penalties associated with such adjustment are assessed and collected at the partnership level, rather than the partner level. The rules determine any imputed underpayment by netting each partner's adjustments of income, gain, loss, deduction, or credit and multiplying the net adjustment by the highest tax rate in effect for the "***Reviewed Year***" — the taxable year of the Company that was audited. Since the Reviewed Year's highest tax rate is applied regardless of the individual partners' tax rate, the partnership may be liable for higher amounts than if the adjustments were made at the partner level. Under the rules, the partnership will take the adjustment into account in the "***Adjustment Year***" — the year that the audit or judicial review is complete. As such, the economic burden of an adjustment (and any related penalties) could be shifted from those who were partners in the partnership during the Reviewed Year to the partnership's partners as of the Adjustment Year, although partners will not be held jointly and severally liable for a partnership's tax liability.

Under the audit rules, partners continue to be required to treat each item of income, gain, loss, deduction, or credit attributable to the partnership in the same manner as the partnership. A partner who fails to treat such items consistently and who does not satisfy one of the narrow exceptions to this rule may be subject to assessed deficiencies by the IRS. Partners are not held jointly and severally liable for the partnership's tax liability. Under this alternative procedure, the Company may make an election pursuant to Code Section 6226 to require each person who was a Member during a Reviewed Year to personally bear any tax, interest, and penalty resulting from adjustments based on such audit. By subscribing for an Interest in the Company, each Member agrees to the foregoing, even if such person is no longer a partner in the Company (unless a substitute Member has agreed to bear such liability in an appropriate transfer document). Furthermore, if the Company is unable (or otherwise fails) to make an election under Code Section 6226 and becomes subject to an entity-level tax, the LLC Agreement provides that each Member agrees to bear its proportionate share of the liability, even if such person is no longer a Member of the Company (unless a substitute Member has agreed to bear such liability in an appropriate transfer document).

The law also contains an "opt-out" election where a partnership with 100 or fewer qualifying partners may opt-out of these rules. However, partnerships with a partnership (or a limited liability company treated as a partnership for federal income tax purposes) as a partner, would not be eligible for such an opt-out. One or more of the prospective Members of the Company may be a partnership (or treated as such). Therefore, the Company may not be eligible to opt-out of the rules.

Annual Tax Reporting. The Manager will furnish each Member with an annual statement setting forth information relative to the operations of the Company (including information regarding such Member's distributive share of Company income and gains, losses, deductions, and credits for the taxable year) as is reasonably required to enable the Member to properly report to the IRS and applicable states with respect to such Member's participation in the Company.

Tax Shelter Reporting Requirements. Reportable Transactions are those transactions that are subject to a special tax return disclosure requirement. If an investment in the Company or any transaction of the Company is a Reportable Transaction, then the Company, and in certain cases, Members, would be required to file a disclosure on Form 8886 with its tax return. The Manager does not believe that an investment in the Company is a Reportable Transaction but cannot predict whether any transaction of the Company will be deemed to be a Reportable Transaction.

Reportable Transactions include transactions which result in the Company or any of its Members claiming a loss (including a capital loss or a worthless securities loss), if such loss exceeds certain thresholds and if an exemption does not apply. The threshold applicable to the Company for a loss transaction is a loss of $2 million or more in the year of the transaction or $4 million or more in a combination of taxable years. If the loss is a Reportable Transaction for the Company, the Company would be required to file Form 8886. In addition, a Member may also be required to file Form 8886 if the Member's share of such loss exceeds the applicable thresholds. Further, a non-corporate Member that incurs a loss on the sale or transfer of the Member's interest in the Company (in excess of the thresholds described above) likely will be required to file Form 8886 with its tax return.

Certain partnerships and their material advisers are subject to a requirement to maintain a list identifying each person who was sold an interest in such partnership; material advisers may also be required to file a statement with the IRS disclosing information regarding such partnership. The Manager does not expect that the list maintenance requirements and disclosure requirements will apply to the Company, but the Manager may determine in the future that such list maintenance and disclosure requirements are applicable to the Company. Members are advised that their names, addresses, taxpayer identification numbers and other information required under the applicable Regulations may be included on such list and provided to the IRS upon request.

The penalties for non-compliance with the list maintenance requirements or with the requirement to disclose Reportable Transactions on Form 8886 range from $10,000 to $200,000 per failure. In addition, there is a 20% penalty imposed with respect to an understatement of tax attributable to a Reportable Transaction. This penalty is increased to 30% for understatements with respect to Reportable Transactions not disclosed on Form 8886. Certain exceptions to the penalties may apply, but their application is uncertain.

Partnership Status for U.S. Income Tax Purposes

Partnership Classification. Under the "check-the-box" Regulations, a business entity formed as a limited liability company under state law will be classified as a partnership for federal income tax purposes unless it affirmatively elects to be taxed as a corporation. The Company will not make such an election. The Manager intends to obtain and rely on representations and undertakings from each Member and to conduct the activities of the Company in order to ensure that the Company is not treated as a "publicly traded partnership." The Manager intends to treat the Company as a partnership for federal income tax purposes, and if the Company is so treated, it generally will not be subject to federal income tax, and each Member will be subject to federal income tax on its share of the income of the Company that has been allocated to it in accordance with the LLC Agreement.

Publicly Traded Partnership Issues. If the Company were treated as a "publicly traded partnership," it would be taxable as a corporation for federal income tax purposes. Being so characterized would substantially and adversely affect Members' after-tax income. If the Company is not treated as a partnership, but instead as an association taxable as a corporation, (i) its net income and gains (including unrealized gains) would be taxable to the Company and not to the Members and (ii) distributions to the Members would be taxable as dividends to the Members to the extent of current or accumulated earnings and profits of the Company. Certain Regulations provide "safe harbors" in which partnerships (or entities treated as partnerships for federal income tax purposes) may ensure that they are not "publicly traded." The Company expects to satisfy at least one of the safe harbors at all times.

The remainder of this discussion assumes that the Company will be treated as a partnership, and not an association taxable as a corporation, for all U.S. federal, state, and local tax purposes.

Possible Tax Law Changes

The foregoing discussion is only a summary and is based upon existing federal income tax law. Members should recognize that the federal income tax treatment of an investment in the Company may be modified at any time by legislative, judicial or administrative action. Any such changes may have a retroactive effect with respect to existing transactions and investments and may modify the statements made above. Members are urged to consult with their own tax advisor with respect to the impact of past legislation on their investment in the Company.

THE TAX DISCUSSION SET FORTH ABOVE IS FOR GENERAL INFORMATION ONLY AND SHOULD NOT BE CONSIDERED TO DESCRIBE FULLY THE FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY. THE TAX CONSEQUENCES MAY VARY BASED UPON THE CIRCUMSTANCES OF AN INDIVIDUAL MEMBER. THE TAX RULES APPLICABLE TO THE MEMBERS, THE COMPANY AND THE TRANSACTIONS IN WHICH THE COMPANY MAY ENGAGE ARE HIGHLY COMPLEX, AND THEIR EFFECT MAY BE HIGHLY UNCERTAIN. PROSPECTIVE MEMBERS ARE URGED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY.

United States Securities Laws

U.S. Securities Act of 1933

The offer and sale of the Company's membership interests ("***Units***") have not been and will not be registered under the Securities Act of 1933, as amended (the "***Securities Act***"), or under applicable state securities laws. The Units are being offered and sold in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act and/or Rule 506(c) of Regulation D promulgated thereunder by the U.S. Securities and Exchange Commission (the "***SEC***") for transactions not involving a public offering. Sales pursuant to Rule 506(c) may only be made to "accredited investors." Offers and sales outside the United States, if any, will be conducted pursuant to the exemption from registration provided by Regulation S promulgated by the Commission and applicable foreign securities laws. If you are not a United States citizen, please contact the Manager so you can coordinate compliance with your local securities laws.

As a purchaser of the Units in a private placement not registered under the Securities Act, each Member will be required to represent, among other things, that it is acquiring the Units for investment purposes only and not with a view to or for resale, distribution or fractionalization of the Units, that the Member is an "accredited investor" within the meaning of Regulation D under the Securities Act, and that it has received or had access to all information it deems relevant to evaluate the risks of the prospective investment.

Rule 506(c) of Regulation D permits issuers conducting certain private placements that are exempt from the registration requirements of the Securities Act to conduct general solicitation and general advertising as long as the actual purchasers are accredited investors and the issuer has taken reasonable steps to verify the purchasers' status. The SEC has adopted a "principle-based" approach for determining the reasonableness of the steps that an issuer takes to verify that a purchaser is an accredited investor. As a result, the Manager must consider the facts and circumstances of each sale transaction, including: (a) the type of purchaser and the type of accredited investor that the purchaser claims to be; (b) the amount and type of information that the Manager has about the purchaser; and (c) the nature of the offering, including (i) the manner in which the purchaser was solicited to participate in the offering, and (ii) the terms of the offering.

The SEC has provided certain non-exclusive methods of reasonable steps to verify a purchaser's accredited investor status. For example, this "reasonable steps" requirement can be fulfilled by requiring an accredited investor to furnish information supporting its status as such, such as copies of tax statements or returns, brokerage statements, or certification as to "accredited investor" status from an attorney or investment adviser. The Company will be deemed to have taken reasonable steps to verify accredited investor status if the Company uses one of these verification methods. The requirement to take reasonable steps to verify a purchaser's accredited investor status is separate from the requirement that sales be limited to accredited investors. Therefore, even if all of the Company's purchasers are accredited investors, as the Manager intends, if the Company is found to not have taken reasonable steps to verify such status, then this offering will not qualify for the Rule 506(c) exemption. In such case, the Company's exemption from the registration requirements of the Securities Act could be jeopardized, and the Company and the Manager may be subject to enforcement actions by the SEC. The Company may also be required to offer rescission rights to certain purchasers.

Additionally, the exemption provided by Rule 506 of Regulation D may become unavailable if "covered persons" who become subject to a "disqualifying event" (as such terms are described in Rule 506(d)) are beneficial owners of 20% or more of the Company's outstanding equity securities, calculated on the basis of total voting power rather than on the basis of ownership of such securities (a "***20% Beneficial***

Owner”). In the event that a Member that is a 20% Beneficial Owner becomes subject to a disqualifying event, the Manager may take such equitable measures at it may determine, such as the compulsory withdrawal of, or the transfer of all or a portion of, such Member’s Units.

Further, each prospective Member must be prepared to bear the economic risk of the investment for an indefinite period because the Units cannot be sold unless they are subsequently registered under the Securities Act or an exemption from such registration is available (in addition to the restrictions on transfer contained in the LLC Agreement). It is not contemplated that the Company will seek registration of the Units under the Securities Act or other securities laws. There is no public market for the Units, and none is expected to develop.

During the course of the offering and prior to a purchaser’s investment in the Units, such purchaser is invited to ask questions of the Manager concerning the terms and conditions of the offering and to obtain any additional information, to the extent the Manager possess such information or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information furnished in this Memorandum.

Ownership restrictions may become necessary to reflect changes in the applicable laws and regulations of the United States or any other jurisdiction whose laws may be applicable to the Company. The Manager, as a condition to the acknowledgment and acceptance of any subscription, purchase, continued holding, or transfer of Units, may require satisfactory evidence of compliance with the above restrictions and any restrictions that may be imposed in the future or that may be required by any current or future law, rule, regulation, or interpretation by any applicable jurisdiction.

U.S. Investment Company Act of 1940

The Manager intends to organize and operate the Company so that it will not subject the Company to the registration requirements of the Investment Company Act of 1940, as amended (the “***1940 Act***” or the “***Investment Company Act***”).

Section 3(a)(1)(A) of the Investment Company Act defines an investment company as any issuer that is or holds itself out as being engaged primarily in the business of investing, reinvesting, or trading in securities. The Manager believes the Company will not be considered an investment company under Section 3(a)(1)(A) of the Investment Company Act because the Company is not expected to engage primarily, or hold itself out as being engaged primarily, in the business of investing, reinvesting, or trading in securities.

Section 3(a)(1)(C) of the Investment Company Act defines an investment company as any issuer that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding, or trading in securities and owns or proposes to acquire “investment securities” having a value exceeding 40% of the value of the issuer’s total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis, which is referred to as the “***40% test***.” Excluded from the term “investment securities,” among other things, are U.S. government securities and securities issued by majority-owned subsidiaries that are not themselves investment companies and are not relying on the exception from the definition of investment company set forth in Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act (discussed below). The Manager believes that the Company may comply with the 40% test as the Manager currently expects the Company to invest primarily in real property, rather than in securities, through wholly or majority-owned subsidiaries or through joint venture arrangements where the Company has significant participatory and management rights and where such joint venture interests are not considered “securities,” and in each case where the subsidiary or joint venture is itself excepted from being deemed an investment company by virtue of an exemption other than Section 3(c)(1) or Section 3(c)(7).

If the Company is considered to meet the definition of an "investment company," the Manager intends to rely on the exclusion provided by Section 3(c)(5)(C) of the Investment Company Act, which is available for entities primarily engaged in the business of "purchasing or otherwise acquiring mortgages and other liens on and interests in real estate." In addition to prohibiting the issuance of certain types of securities, this exclusion generally requires that at least 55% of an entity's assets must be comprised of mortgages and other liens on, and interests in, real estate, also known as "qualifying assets," and at least 80% of the entity's assets must be comprised of qualifying assets and a broader category of assets referred to as "real estate-related assets" under the Investment Company Act. Additionally, no more than 20% of the entity's assets may be comprised of miscellaneous assets, including investment securities.

The Manager will classify the Company's assets for purposes of the Investment Company Act, including its 3(c)(5)(C) exclusion, in large measure upon no-action positions taken by the SEC staff in the past. These no-action positions were issued in accordance with factual situations that may be substantially different from the factual situations the Company may face, and a number of these no-action positions were issued more than ten years ago. No assurance can be given that the SEC staff will concur with the Company's classification of its assets. In addition, the SEC staff may, in the future, issue further guidance that may require the Company to re-classify its assets for purposes of the Investment Company Act. If the Company is required to re-classify its assets, it may no longer be in compliance with the exclusion from the definition of an investment company provided by Section 3(c)(5)(C) of the Investment Company Act.

At this time, the Manager expects that no less than 55% of the Company's assets will consist of investments in real property, including any joint ventures that it controls or through joint venture arrangements where the Company has significant participatory and management rights and where the members of the joint venture can replace the advisor or manager. For purposes of determining whether the Company satisfies the 55% and 80% tests, the Manager will classify the assets in which the Company invests as follows:

- Real Property. Based on no-action letters issued by the SEC staff, the Company will classify its fee interests in real properties (if any) as qualifying assets. In addition, based on no-action letters issued by the SEC staff, the Company will treat its investments in joint ventures, which in turn invest in qualifying assets such as real property, as qualifying assets only if the Company has the right to approve major decisions affecting the joint venture and remove any advisor or manager for material breaches of its obligations under the governing contract; otherwise, such investments will be classified as real estate-related assets.

- Securities. The Manager intends to treat as real estate-related assets debt and equity securities of both non-majority owned publicly traded and private companies primarily engaged in real estate businesses, including REITs and other real estate operating companies, and securities issued by pass-through entities of which substantially all the assets consist of qualifying assets or real estate-related assets.

- Loans and Other Investments. Because loans are not currently believed to be qualifying assets for purposes of the 90% Asset Test under the QOZ Program, the Manager does not anticipate the Company will acquire loans (including mortgage loans). However, to the extent the Manager intends to rely on the Section 3(c)(5)(C) exemption and holds mortgage or other loans while meeting the QOZ Program's 90% Asset Test, the Manager will base the Company's treatment of any such loans or other investments — for purposes of the Investment Company Act — as qualifying assets, real estate-related assets, or non-qualifying assets based on the characteristics of the underlying asset and available guidance issued by the SEC Staff.

If the Company inadvertently falls within one of the definitions of "investment company" and cannot qualify for the exemption provided by Section 3(c)(5)(C), the Company intends to rely on the exemptions in Section 3(c)(1)[12] or Section 3(c)(7)[13] of the Investment Company Act, or to create a Parallel Investment Vehicle to invest alongside the Company, with Members meeting the requirements of Section 3(c)(7) investing through such Parallel Investment Vehicle and other investors investing through the Company, which would rely on Section 3(c)(1). Accordingly, while it is not the present intent of the Manager to rely on the exemptions in Section 3(c)(1) or Section 3(c)(7), investors will be asked to provide representations and undertakings in order to ensure the availability of these exemptions in the event that the Manager deems it appropriate in the future to rely on them because of changes in the law or available interpretations thereof (or otherwise). Among other requirements, each investor will be asked to represent whether it is a "qualified purchaser" and to agree to comply with restrictions on transfer designed to assure that the Company and any Parallel Investment Vehicles remain excluded from investment company status.

If the Company is required to register as an investment company under the Investment Company Act, it would become subject to substantial regulation with respect to its capital structure (including the Company's ability to use borrowings), management, operations, transactions with affiliated persons (as defined in the Investment Company Act), and portfolio composition, including restrictions with respect to diversification and industry concentration and other matters. Compliance with the Investment Company Act would, accordingly, limit the Company's ability to make certain investments, prohibit the Company from investing solely in the Project Company, and require the Manager to significantly restructure its business plan.

U.S. Investment Advisers Act of 1940

Neither the Manager nor its affiliates are currently registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "***Investment Advisers Act***"). The Investment Advisers Act defines an "investment adviser" as any person or firm that (a) for compensation (b) is engaged in the business (c) of providing advice to others or issuing reports or analyses regarding securities. The Manager expects to be advising on the acquisition, development, and disposition of the assets to be owned by the Company, which as explained above are expected to be considered interests in real estate and not securities. Accordingly, Investors in the Company should not expect to have the benefits of provisions of the Investment Advisers Act available only to investors in entities advised by registered investment advisers.

It is possible the Manager and its affiliates could fall within the definition of, and be required to register as, an investment adviser. In general, investment advisers with $100 million or more in "regulatory assets under management," or "***RAUM***" (discussed below) must register with the SEC as an "***RIA***" (Registered Investment Adviser). The Investment Advisers Act generally requires investment advisers with less than $25 million of RAUM to register or qualify for an exemption from registration under the laws of the states in which it is conducting business. Investment advisers with between $25 million and $100 million of RAUM must generally register with the states in which they conduct business. Exceptions to

[12] Section 3(c)(1) excludes from the definition of "investment company" any issuer whose outstanding securities are beneficially owned by not more than one hundred persons and which is not making and does not presently propose to make a public offering of its securities. Various attribution rules apply to the beneficial ownership test, thus making it important that pass-through entities fully disclose their ownership in the Subscription Agreement.

[13] Section 3(c)(7) excludes from the definition of "investment company" any issuer whose outstanding securities are owned exclusively by "qualified purchasers" and which meets the other conditions contained therein. A "qualified purchaser" includes (among others): (i) a natural person who owns not less than $5,000,000 in investments, (ii) a natural person or company, acting for its own account or the accounts of other qualified purchasers, that owns/invests on a discretionary basis not less than $25,000,000 in investments, and (iii) certain trusts.

these rules exist. For example, an investment adviser that would be required to register in 15 or more states generally will register with the SEC, regardless of its RAUM. Investment advisers that have under $150 million of RAUM may qualify as "exempt reporting advisers," whereby such investment advisers do not register with the SEC as RIAs but are subject to some reporting requirements and other rules applicable to RIAs.

The SEC defines RAUM as "securities portfolios" for which an investment adviser provides "continuous and regular supervisory or management services." These "continuous and regular supervisory or management services" typically entail the adviser having discretion or providing supervisory services over an account, portfolio, or fund on an ongoing basis or, if the adviser does not have discretion, having a duty to make recommendations as to securities and, if the client accepts those recommendations, having a duty to execute the acquisition of those securities. The SEC has further indicated that the provisions of the governing advisory contract as well as actual management practices can lead to a conclusion that an adviser is engaged in continuous and regular supervisory or management services. The SEC has also indicated that compensation based on the value of managed assets is further indicia of being so engaged.

A "securities portfolio" is an asset portfolio, at least 50% of the value of which is comprised of securities. For these purposes, cash and cash equivalents are generally considered securities, and uncalled mandatory capital commitments of private funds are generally considered securities (although private funds investing only in real estate or other investments that are not securities are generally not subject to this rule if their governing documents limit the private fund's ability to invest in securities).

The Manager and its affiliates will continue to monitor their RAUM and whether they will be required to register under state law or with the SEC and, if it determines that such registration is necessary, it will undertake to so register. However, at the current time, the Manager does not anticipate being required to register as an RIA (under state law or the Investment Advisers Act) in the foreseeable future.

ERISA Considerations

The following is a summary of certain considerations associated with an investment in the Company by employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("***ERISA***"); plans, IRAs and other arrangements that are subject to Code Section 4975; and entities whose underlying assets are considered to include "plan assets" of such plans, accounts and arrangements (each, a "***Plan***"). The following summary also addresses certain considerations applicable to plans or arrangements that are subject to provisions under any federal, state, local, non-U.S., or other laws or regulations that are similar to such provisions of the Code or ERISA (collectively, "***Similar Laws***"). This discussion does not purport to constitute a thorough analysis of ERISA, the Code or Similar Law. ERISA and the Code and its accompanying regulations are complex and, to a great extent, have not yet been interpreted by the courts or the administrative agencies. It is recommended that legal counsel be consulted by Plan fiduciaries or other tax-exempt investors before investing in the Company.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Code Section 4975 and prohibit certain transactions involving the assets of a Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of a Plan or the management or disposition of the assets of a Plan, or who renders investment advice for a fee or other compensation to a Plan, is generally considered to be a fiduciary of the Plan.

In considering an investment in the Company of a portion of the assets of any Plan, a fiduciary should determine, particularly in light of the risks and lack of liquidity inherent in an investment in the Company, whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws. If a fiduciary breaches his or her responsibility to take into account such factors, such fiduciary may be held liable for plan losses and may be subject to civil or criminal penalties and excise taxes.

Any insurance company proposing to invest assets of its general account in the Company should consider the extent to which such investment would be subject to the requirements of ERISA under any court decisions, legislation, or other guidance that has or may become available, including Section 401(c) of ERISA and the regulations promulgated thereunder.

Neither the Manager nor or any other party associated with the Company makes any representation with respect to whether the Company is a suitable investment for any such Plan or provides any legal advice regarding that investment.

The Plan Assets Regulation

The U.S. Department of Labor has promulgated regulations (the "***Plan Assets Regulation***") describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of the fiduciary responsibility provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Assets Regulation, if a Plan invests in an "equity interest" of an entity that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets are deemed to include both the equity interest itself and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" or the equity participation by "benefit plan investors" (defined in Section 3(42) of ERISA) is not "significant." The defined terms in this paragraph each having the meaning given under the Plan Assets Regulation.

Under the Plan Assets Regulation and Section 3(42) of ERISA, equity participation in an entity by benefit plan investors is "significant" on any date if, immediately after the most recent acquisition of any equity interest in the entity, twenty-five percent (25%) or more of the value of any class of equity interest in the entity is held by benefit plan investors (the "***25% Limitation***"). For purposes of making determinations under the 25% Limitation, the value of any equity interests held by a person (other than a benefit plan investor) that has discretionary authority or control with respect to the assets, or any affiliate of such a person (each such person or affiliate, a "***Controlling Person***"), is disregarded. The definition of a "benefit plan investor" effectively excludes governmental, church, and foreign benefit plans, but for purposes of calculating the 25% Limitation includes IRAs. The Manager expects the Company will comply with the 25% Limitation.

The Company will not be registered under the Investment Company Act. If participation in the Company through the acquisition of any class of equity interest by benefit plan investors is "significant" within the meaning of the Plan Assets Regulation and Section 3(42) of ERISA, the assets of the Company could be deemed to be the assets of Plans investing in Interests and the Manager and its applicable affiliates could be deemed to be a fiduciary to each Plan.

If equity participation in the Company by benefit plan investors is "significant" for ERISA purposes (i.e., if the 25% Limitation is not satisfied), the Manager believes that it could operate the Company in a manner to qualify it for the "venture capital operating company" ("***VCOC***") exception and/or, more likely, the "real estate operating company" ("***REOC***") exception. If the Company qualifies for the VCOC or

REOC exception, the Company will not be subject to the ERISA fiduciary rules, and the underlying assets of the Company will not be deemed "plan assets" of any benefit plan investor, regardless of whether the 25% Limitation is satisfied.

The Plan Assets Regulation provides that an operating company is an entity that is engaged primarily, directly or through a majority owned subsidiary or subsidiaries, in the production or sale of products or services other than the investment of capital. In addition, the Plan Assets Regulation provides that the term operating company includes an entity qualifying as a "real estate operating company" or a "venture capital operating company."

An entity is a REOC if: (i) on its "initial valuation date" and on at least one day within each "annual valuation period," at least 50 percent of the entity's assets, valued at cost (other than short-term investments pending long-term commitment or distribution to investors) are 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 the management and development of real estate during the annual valuation period.

Generally, an entity is 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 operating companies in which the entity has management rights, and (ii) such entity, in the ordinary course of its business, actually exercises such management rights with respect to at least one of the operating companies in which it invests.

The Manager will use commercially reasonable efforts to limit equity participation by benefit plan investors in the Company to less than 25% of the total value of each class of equity interest in the Company as described above so that the underlying assets of the Company do not constitute "plan assets" of any Plan that invests in the Company. However, there can be no assurance that, notwithstanding the commercially reasonable efforts of the Manager, the Company will qualify under the operating company exception or that benefit plan investors will hold less than 25% of the total value of each class of equity interest in the Company and the underlying assets of the Funds will not otherwise be deemed to include plan assets. The Manager may require a mandatory withdrawal or reduction of Interest held by a Plan in order to keep the Fund below the 25% threshold.

Plan Asset Consequences

If the assets of the Company were deemed to be "plan assets" under ERISA, among other things:

- the prudence and other fiduciary responsibility standards of ERISA would apply to investments made by the Company;
- certain transactions in which the Company might seek to engage could constitute "prohibited transactions" under ERISA and the Code, which, absent an exemption, could restrict the Company from acquiring an otherwise desirable investment or from entering into an otherwise favorable transaction;
- the assets of the Company could be subject to ERISA's reporting and disclosure requirements;
- the fiduciary causing the Plan to make an investment in an Interest could be deemed to have delegated its responsibility to manage the assets of the Plan; and

- the indicia of ownership of the assets of the Company would have to be maintained within the jurisdiction of the district courts of the United States unless certain regulatory exceptions were applicable.

If a prohibited transaction occurs for which no exemption is available, the Manager and/or any other fiduciary that has engaged in the prohibited transaction could be required to (i) restore to the Plan any profit realized on the transaction and (ii) reimburse the Plan for any losses suffered by the Plan as a result of the investment. In addition, each disqualified person (within the meaning of Code Section 4975) involved could be subject to an excise tax equal to 15% of the amount involved in the prohibited transaction for each year the transaction continues and, unless the transaction is corrected within statutorily required periods, to an additional tax of 100%. Plan fiduciaries who decide to invest in the Company could, under certain circumstances, be liable for prohibited transactions or other violations as a result of their investment in the Company or as co-fiduciaries for actions taken by or on behalf of the Company or the Manager. With respect to an IRA that invests in the Company, the occurrence of a prohibited transaction involving the individual who established the IRA, or his or her beneficiaries, would cause the IRA to lose its tax-exempt status.

Restrictions on Purchase of Interests

As noted above, the Manager intends to limit equity participation by benefit plan investors so that participation is not considered "significant" as defined in the Plan Assets Regulation. Accordingly, each purchaser or transferee (if any) of an Interest will be required to represent and warrant (i) whether or not it is a "benefit plan investor," and (ii) whether or not it is a Controlling Person. Each purchaser or transferee (if any) will also be required to represent and warrant that its purchase does not constitute a non-exempt prohibited transaction under ERISA, the Code, or any Similar Law. Plan investors that have a pre-existing fiduciary relationship with the Manager or any other party associated with the Company must make an independent investment decision with respect to their purchase of Units and must not rely upon the Manager or any other party associated with the Company for investment advice regarding such purchase. Although the Company intends to restrict the acquisition of Interests by benefit plan investors so that such Interests in the aggregate are not "significant," there can be no assurance that the ownership of Interests by benefit plan investors will always remain below the threshold established under the Plan Assets Regulation, and the Manager may elect to abandon reliance on the 25% Limitation in favor of the operating company exemption from plan assets treatment.

Foreign, Governmental and Church Plans

As a general rule, certain employee benefit plans, including foreign pension plans, governmental plans established or maintained in the United States (defined in Section 3(32) of ERISA), and certain church plans (defined in Section 3(33) of ERISA), are not subject to ERISA's requirements and are not "benefit plan investors" within the meaning of the Plan Assets Regulation. Any such plan that is qualified and exempt from taxation under Code Sections 401(a) and 501(a) may nonetheless be subject to the prohibited transaction rules set forth in Code Section 503 and, under certain circumstances in the case of church plans, Code Section 4975. Also, some foreign plans and governmental plans may be subject to foreign, state, or local laws which are, to a material extent, similar to the provisions of ERISA or Code Section 4975. Neither the Manager nor or any other party associated with the Company makes any representation with respect to whether the Company is a suitable investment for any such plans or provides any legal advice regarding that investment, and each fiduciary of such plan subject to any such Similar Law should make its own determination as to the suitability and compliance with Similar Law regarding its investment in the Company.

Requests for Information

The Company reserves the right to request from any Member or prospective Investor such information as it deems necessary to monitor its investment's relation to plans and/or compliance with the Plan Assets Regulation.

The Manager will require fiduciaries of a Plan proposing to invest in the Company to represent that they have been informed of and understand the Company's investment objectives, policies and strategies, and that the decision to invest in the Company was made with appropriate consideration of relevant investment factors with regard to the Plan and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA, the Code, and applicable Similar Laws.

WHETHER OR NOT THE UNDERLYING ASSETS OF THE FUND ARE DEEMED PLAN ASSETS UNDER THE PLAN ASSET REGULATION, AN INVESTMENT IN THE COMPANY BY A PLAN MAY BE SUBJECT TO ERISA AND/OR THE CODE OR SIMILAR LAW. DUE TO THE COMPLEXITY OF THESE RULES AND THE PENALTIES IMPOSED UPON PERSONS INVOLVED IN PROHIBITED TRANSACTIONS OR OTHER BREACHES OF FIDUCIARY DUTY, IT IS PARTICULARLY IMPORTANT THAT THE FIDUCIARIES OF PLANS CONSULT WITH THEIR OWN COUNSEL AS TO THE CONSEQUENCES UNDER ERISA, THE CODE OR SIMILAR LAW OF AN INVESTMENT IN THE COMPANY.

Anti-Money Laundering Requirements and Regulations

The United States and many other jurisdictions have created, and continue to revise and create, anti-money laundering, embargo and trade sanctions, and similar laws, regulations, requirements (whether or not with force of law) and regulatory policies, and many financial institutions have created, and continue to change, responsive disclosure and compliance policies (collectively "***Requirements***"). The Company or the Manager could be requested or required to obtain additional information to verify the identity of potential and existing Members, obtain certain assurances from the Members subscribing for Interests, disclose information pertaining to them to governmental, regulatory, or other authorities or to financial intermediaries or other relevant third parties, or engage in due diligence or take other related actions in the future. It is the policy of the Company and the Manager to comply with any Requirements to which the Company and the Manager or their respective agents and affiliates may become subject and to interpret them broadly in favor of disclosure. Each prospective Member will be deemed to have agreed by reason of owning any Unit in the Company that it will provide additional information or take such other actions as may be necessary or advisable for the Company (in the sole discretion of the Manager) to comply with any Requirements, related legal process, or appropriate request (whether formal or informal).

Each prospective Member, by subscribing for a Unit, will be deemed to have consented to disclosure by the Company, the Manager, and their respective agents and affiliates to relevant third parties of information pertaining to such Requirements and any other requirements or information requests related thereto. In addition, the Company and Manager and their respective agents and affiliates will disclose any and all information required or requested by governmental or other authorities as required by or in connection with the U.S. Bank Secrecy Act, as amended by the USA PATRIOT Act, and other anti-money laundering, anti-terrorism and similar laws, rules and regulations including, without limitation, Executive Order 13224.

Each prospective Member, by subscribing for a Unit, will be deemed to have agreed that it will provide additional information or take such other actions as may be necessary or advisable for the Company, in the sole judgment of the Manager, for anti-money laundering purposes and to indemnify and hold harmless the Company and the Manager for any failure on the part of such Member to cooperate as provided above or for providing incomplete or incorrect information.

The Manager will use commercially reasonable efforts at Company expense to cause the Company, the Manager, and their respective agents and affiliates to comply with the Requirements, including without limitation the U.S. Bank Secrecy Act, as amended by the USA PATRIOT Act, and other anti-money laundering, anti-terrorism and similar laws, rules, and regulations including, without limitation, Executive Order 13224.

In order to ensure compliance by the Company and the Manager with these requirements, the Manager may request each Member to provide documentation verifying, among other things, such Member's identity and source of funds used to purchase its Units. Each Member, by subscribing for a Unit, will be deemed to have represented that the funds contributed by it to the Company are not derived from any criminal enterprise. Each prospective Member will represent in its Subscription Agreement that neither the Member, its principals, beneficial owners, senior management officials nor investors are named on or blocked by the prohibited lists or sanction programs maintained by the U.S. Treasury Department. Requests for documentation and additional information may be made at any time during which a Member holds Units. The Manager may provide this information, or report the failure to comply with such requests, to appropriate governmental authorities, in certain circumstances without notifying the Members that the information has been provided. The Company reserves the right to require any payment or distribution to a Member to be paid into the account from which the Member's subscription funds originated.

The Company and the Manager reserves the right to request such information as is necessary to verify the identity of a prospective Member and to request such identification evidence in respect of a transferee of Units. In the event of delay or failure by the prospective Member or transferee to produce any information required for verification purposes, the Company or the Manager may refuse to accept the application or (as the case may be) to register the relevant transfer, and (in the case of subscription of Units) any funds received will be returned without interest to the account from which such funds were originally debited, and/or remove the Member from the Company.

The Company and the Manager also reserve the right to refuse to make any distribution or other payment to an Member if the Manager suspects or is advised that such payment might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Company, the Manager, or their affiliates with any such laws or regulations in any relevant jurisdiction.

Subscription Procedures

All subscriptions must be made by the completion, execution and delivery to the Company of one copy of a subscription agreement ("***Subscription Agreement***") in the form accompanying this Memorandum as Appendix D.

Subscriptions are not binding on the Company unless or until accepted by the Manager on behalf of the Company. The Manager may accept subscriptions for less than the stated minimum in its sole discretion.

In order to subscribe for Interests, a prospective investor must deliver the following documents to the Manager:

- One completed and signed copy of the Subscription Agreement, including all exhibits.
- Documentation evidencing the subscriber's status as an "accredited investor."
- A completed Form W-9 or applicable Form W-8.
- A wire transfer[14] to the account set out in the Subscription Agreement made to PAFS as trustee for Victrix Investments, LLC, in an amount equal to one hundred percent (100%) of such Member's subscription.

Each subscriber must represent and warrant in the Subscription Agreement that, among other things, such subscriber is financially sophisticated, has reviewed and understands the risks of an investment in the Company and is an "accredited investor" as defined under Rule 501 of Regulation D under the Securities Act. Prospective Members with questions as to whether they qualify should refer to the more detailed information regarding investment requirements set forth in the Subscription Agreement and should also refer such questions to their own legal advisers. Because the Company is conducting this offering pursuant to Rule 506(c) under Regulation D under the Securities Act, prospective Members will also be required to provide documentation evidencing the Member is an "accredited investor." See "*United States Securities Laws — U.S. Securities Act of 1933*" beginning on page 82. Each subscriber that indicates that it is a "qualified client" in its investor questionnaire must also represent and warrant in the Subscription Agreement that the subscriber is a "qualified client" as defined under Rule 205-3 of the Investment Advisers Act. Failure to ensure delivery of the Subscription Agreement or failure to complete fully the Subscription Agreement may, in the Manager's discretion, result in the cancellation of a prospective Member's subscription.

To ensure compliance with all anti-money laundering laws, regulations and policies applicable to the Company and the Manager, the Manager may require verification of identity from all prospective Members. Depending on the circumstances of each subscription, independent verification of identity may not be required where: (a) the investor is a qualified financial institution; or (b) the investor makes the payment from an account held in the prospective Member's name at a qualified financial institution.

The Manager reserves the right to request such further information as it considers necessary to verify the identity of a prospective investor. In the event of delay or failure by the prospective investor to produce any information required for verification purposes, the Manager may refuse to accept or process a

[14] Please note that, with the prior written consent of the Manager, the Company will accept checks or other forms of payment.

Capital Contribution until proper information has been provided, and any funds received may be returned without interest to the account from which the monies were originally debited. The Manager may also require a mandatory withdrawal of such an investor.

The Subscription Agreement is irrevocable by the subscriber but is conditioned upon acceptance by the Company. Upon acceptance of the subscription by the Company by execution of the signature pages of the subscriber's Subscription Agreement, the subscriber will become a Member of the Company.

Plan of Distribution

Capitalization

The Company is seeking aggregate capital contributions ("***Capital Contributions***") of up to approximately $50,000,000, excluding commitments by the Gordon Property Group-Victrix (GPG-Victrix)'s (the "***Sponsor***") and/or its Affiliates (which is expected to be invested on a *pari passu* basis with other Members); provided however, the Sponsor, in its sole discretion may commence operations of the Company at any time prior thereto. Prospective members will be required to make a minimum Capital Contribution of $100,000, which may be reduced at the discretion of the Manager. Further, the minimum investment amount for a subsequent investment of an Investor will be $5,000, which may be reduced at the discretion of the Manager. Such minimum is subject to the right of the Sponsor, in its sole discretion, to accept Capital Contributions of lesser amounts. Units will be sold on an individual basis and the net proceeds from the sale of each Unit will be added to the Company's capital and used for the purposes set forth in this Memorandum.

Qualifications of Investors

The Units may be purchased only by investors who have been appropriately verified as "accredited investors" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended and satisfy certain additional investor suitability requirements established by the Sponsor.

Sales of Units

The purchase price of $1,000 for each Unit will be payable in full upon subscription and will be the investor's capital contribution to the Company. There is no assurance that all Units will be sold. The Sponsor reserves the right, in its sole discretion, to refuse to sell Units to any person. In addition, the Sponsor may terminate this Offering at any time.

Marketing of Units

The Company entered into a managing placement agent agreement with S2K Financial LLC, a Delaware limited liability company and member of FINRA and SIPC (the ***"Managing Placement Agent***"), which is an affiliate of the Service Provider Member, pursuant to which the Company will pay the Managing Placement Agent brokerage fees and sales commission of up to ten percent (10%) of the gross offering proceeds for the Units (the "***Placement Fees***") placed by the Managing Placement Agent and other participating broker-dealers (the "***Participating Placement Agents***," and together with the Managing Placement Agent, the "***Placement Agents***" and each a "***Placement Agent***").

The Placement Fees include: (i) a selling commission of up to seven percent (7.0%) of the gross offering proceeds for the Units and (ii) a dealer manager fee of up to three percent (3.0%) of the gross offering proceeds for the Units. All of the selling commissions and all or a portion of the dealer manager fees are expected to be reallowed to Participating Placement Agents. The Managing Placement Agent may waive or reduce the amount of Placement Fees in its sole discretion.

The Managing Placement Agent will also receive a monthly stipend of $25,000 from the Company for expenses related to the offering for a twelve (12) month period following the commencement of the Offering (the "***Monthly Retainer***"). If sales of Units attributable to the Managing Placement Agent exceed a gross amount of $30,000,000 within twelve (12) months or less of the commencement of the Offering, the Company or the Manager will pay the Managing Placement Agent $360,000 less the Monthly Retainer that was paid as of such date.

Exclusivity Provisions in the Placement Agent Agreement

The Managing Placement Agent may not, without the Manager's prior written consent, serve as the dealer manager or otherwise participate in a selling group distributing securities in the U.S. retail investor market, and neither the Service Provider nor any of its affiliates shall otherwise receive fees from or provide services to, any other fund, limited liability company, partnership or other investment vehicle investing or developing or intending to invest or develop office-to-residential conversions. Such exclusivity period shall commence on the date of this Memorandum and terminate on the date that is 18 months following the later of (a) the termination of the Placement Agreement or (b) the last day upon which the Managing Placement Agent is distributing securities in the Offering

Reduction of Securities Compensation

The Managing Placement Agent may accept purchases of Units net of all or an agreed portion of Placement Fees, including by way of illustration, but not limitation, from subscribers purchasing through a registered investment advisor, from subscribers for the Units who are affiliates of the Sponsor or a member of the selling group for the Units or its affiliates. This reduction may be offered on a selective basis, as determined by the Managing Placement Agent in its sole discretion.

Prospective investors wishing to contact representatives of the Company may do so at the address listed below:

Victrix-Gordon Carew Tower QOF LLC
c/o S2K Financial LLC
5950 Hazeltine National Drive, Suite 305
Orlando, FL 32822
Attn: Investor Relations: 1-877-227-4141

Privacy Policy

This privacy policy explains the manner in which the Company and the Manager collect, utilize and maintain nonpublic personal information about the Company's Members, as required under Federal legislation. This privacy policy only applies to nonpublic information concerning investors who are individuals, not entities.

Collection of Investor Information

The Company collects personal information about its Members mainly through subscription documents, investor questionnaires, other written documents provided by the Members, personal meetings, telephone calls, electronically and through transactions within the Company. This information may include names, addresses, nationalities, tax identification numbers, financial and investment qualifications, account balances, investments and withdrawal information.

Disclosure of Nonpublic Personal Information

The Company does not sell or rent Member information. The Company does not disclose nonpublic personal information about its Members to nonaffiliated third parties or to affiliated entities, except as permitted by law. For example, the Company may share nonpublic personal information in the following situations:

- To service providers in connection with the administration and servicing of the Company, which may include attorneys, accountants, auditors and other professionals. The Company may also share information in connection with the servicing or processing of Company transactions;

- To affiliated companies in order to provide you with ongoing personal advice and assistance with respect to the products and services you have purchased through the Company and to introduce you to other products and services that may be of value to you;

- To respond to a subpoena or court order, judicial process or regulatory authorities;

- To protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; and

- Upon consent of a Member to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the Member.

Protection of Member Information

The Company's policy is to require that all employees, financial professionals and companies providing services on its behalf keep client information confidential. Additionally, the Company maintains safeguards that comply with Federal standards to protect Member information. The Company restricts access to the personal and account information of Members to those employees who need to know that information in the course of their job responsibilities. Third parties with whom the Company shares Member information must agree to follow appropriate standards of security and confidentiality. The

Company’s privacy policy applies to both current and former Members. The Company may disclose nonpublic personal information about a former Member to the same extent as for a current Member.

Changes to the Privacy Policy

The Company may make changes to its privacy policy after sending Members a revised privacy policy describing the change.

Contact for Additional Information

During this offering, the Company will provide to each prospective investor and its representatives or advisors the opportunity to ask questions and receive answers concerning the terms and conditions of this offering and to obtain any additional information which the Company may possess or can obtain without unreasonable effort or expense that is necessary to verify the accuracy of the information furnished to such prospective investor. Any such questions should be directed to:

If you have any questions about the Company, please email investors@victrixllc.com.No other persons have been authorized to give information or to make any representations concerning this offering, and if given or made, such other information or representations must not be relied upon as having been authorized by the Company or the Manager.

APPENDIX A – INFORMATION ABOUT THE PROJECT

Sponsor:	Gordon Property Group-Victrix (GPG-Victrix)
Property Owner:	441 VINE STREET OWNER LLC, a Delaware limited liability company and a wholly-owned subsidiary of 441 VINE STREET HOLDING LLC, a Delaware limited liability company and a wholly-owned subsidiary of 441 VINE STREET QOZB LLC, a Delaware limited liability company
Issuer / Company:	VICTRIX-GORDON CAREW TOWER QOF LLC, a Delaware limited liability company
Manager:	441 VINE STREET MANAGER LLC, a Delaware limited liability company
Project Address:	441 Vine Street, Cincinnati, OH 45202
Submarket:	Central Business District
Year Built:	1903
Existing Building:	50-story, ~813,248 square foot office building with lower floor retail
Re-Positioning Plan:	~385 apartment units; ~106,199 square feet commercial.
Initial Purchase Price (including land):	$18,000,000
Total Project Budget (including initial building and land purchase):	~$171,000,000

Please refer to the section of the Memorandum entitled "Risk Factors" for risks associated with the Project, including, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Company and the Project Company, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of redevelopment activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of the Company (and Project Company) and on the amount of funds available for distribution to the Members.

Further, the projections are based on assumptions that have not been reviewed by an independent third party and are subject to significant economic and competitive uncertainties and contingencies beyond the *control of the Manager, the Company and the Project Company as well as future business decisions that are subject to change. Accordingly, there can be no assurance that the actual results will meet projections and that the total budget will be accurate. No projections and forecasts are to be construed as guarantees or commitments of performance, but rather as estimates based on underlying assumptions. The Company makes no representation or warranty as to the accuracy or completeness of the projections, or the ability to complete the Project.*