CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

ROCKSTEP HOMETOWN AMERICA FUND I LLC

$50,000,000
Units of Limited Liability Company Interest

June 2024

RockStep HomeTown America Fund I LLC, a Delaware limited liability company (the "**Company**"), is offering (the "**Offering**") up to Fifty Million Dollars ($50,000,000) of units of limited liability company interests in the Company ("**Units**") to qualified prospective investors in accordance with Rule 506(c) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "**Securities Act**"). There is a minimum investment amount per investor of One Hundred Thousand Dollars ($100,000), unless waived by the Company's manager, RockStep Fund I Management LLC, a Delaware limited liability company ("**RockStep Management**" or the "**Manager**"), in its sole discretion. The Offering is limited to "accredited investors" (as that term is defined in Rule 501(a) under the Securities Act) that alone or together with their purchaser representatives have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of a purchase of Units. Each investor will be required to have its attorney, accountant, broker-dealer, or investment adviser, or a third-party verification service, verify to the Manager the investor's accredited investor status. (See "INVESTOR SUITABILITY.")

The Company intends to make investments in real estate (each an "**Asset**" and collectively the "**Assets**"), either directly or indirectly through limited liability companies, limited partnerships, partnerships, or joint ventures. The Company will fund its business with proceeds from the Offering and debt financing backed by security interests in one or more Assets or the Company's entire portfolio of Assets. (See "THE BUSINESS OF THE COMPANY.")

THE UNITS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OR WITH THE SECURITIES COMMISSION OR DIVISION OF ANY STATE UNDER ANY STATE SECURITIES LAW, AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SUCH LAWS. THE UNITS MAY BE ACQUIRED FOR INVESTMENT ONLY AND MAY NOT BE OFFERED, SOLD, PLEDGED, HYPOTHECATED, ASSIGNED, OR TRANSFERRED AT ANY TIME EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT, ANY APPLICABLE STATE SECURITIES LAWS, AND THE TERMS AND CONDITIONS OF THE COMPANY'S OPERATING AGREEMENT. THEREFORE, PURCHASERS OF THE UNITS WILL BE REQUIRED TO BEAR THE RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

AN INVESTMENT IN THE UNITS INVOLVES A DEGREE OF RISK AND IS SUBJECT TO CERTAIN CONFLICTS OF INTEREST. (See "RISK FACTORS AND INVESTMENT CONSIDERATIONS," AND "CONFLICTS OF INTEREST.")

This Confidential Private Placement Memorandum (this "**Memorandum**") dated June 2024 (as it may be amended, restated, supplemented, or otherwise modified from time to time) is confidential and proprietary to the Company and is being furnished to a limited number of qualified prospective investors on a confidential basis for their consideration in connection with the Offering. The terms of the Offering and the structure of the Company's management and ownership have not been negotiated at arm's length. (See "SUMMARY OF THE OFFERING," "THE BUSINESS OF THE COMPANY," and "CONFLICTS OF INTEREST.") In addition to this Memorandum, prospective investors are encouraged to carefully review in its entirety the Company's Amended and Restated Limited Liability Company Agreement provided in connection with this Memorandum (as further amended or restated from time to time in accordance with the terms thereof, the "**Operating Agreement**") prior to making an investment decision. (See "SUMMARY OF THE OPERATING AGREEMENT.")

The Manager may increase or decrease the size of the Offering or terminate the Offering at any time in its sole discretion. The Manager will not conduct the initial closing of the Offering until the Manager receives subscriptions in an aggregate amount of at least Two Million Dollars ($2,000,000), but the Manager may determine to terminate the Offering before the initial closing. After the initial closing, the Manager may conduct multiple closings of the Offering and accept subscriptions from investors at any time for a period of up to twenty-four (24) months or until the Manager has accepted subscriptions for an aggregate amount of Fifty Million Dollars ($50,000,000); provided, that the Manager may increase the maximum offering amount by any amount, in each case as it determines to be in the best interests of the Company. The Manager reserves the right to (i) withdraw, limit, expand, extend, or terminate the Offering at any time, (ii) reject any offers to purchase Units or rescind any offers to sell Units, and (iii) amend, if necessary and without refund of any Units previously purchased, the terms of this Memorandum to reflect changes, developments, and new information that occur or become known to the Manager while the Offering is in progress. If necessary, the Manager may offer one or more purchasers rescission of their purchases of Units.

Prospective investors that wish to invest in the Units must complete and return the Subscription Booklet in the form provided in connection with this Memorandum (the "**Subscription Booklet**"), including the Subscription Agreement included therein (the "**Subscription Agreement**"). (See "HOW TO SUBSCRIBE.")

All inquiries with respect to the Offering should be directed to:

Rockstep Fund I Management LLC
Attn: Andy Weiner
1445 North Loop West, Suite 625
Houston, TX 77008
Email: andyweiner@rockstep.com
Phone: 713.554.7601 (office) or 832.816.4666 (mobile)

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GENERAL NOTICES

THE OFFERING INVOLVES RISKS. SOME, BUT NOT ALL, OF THESE RISKS ARE DISCUSSED IN THE SECTION OF THIS MEMORANDUM ENTITLED "RISK FACTORS AND INVESTMENT CONSIDERATIONS." PLEASE CAREFULLY REVIEW THIS MEMORANDUM IN ITS ENTIRETY BEFORE MAKING AN INVESTMENT DECISION. PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY, ITS ASSETS, AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING AN INVESTMENT DECISION.

THE COMPANY WILL PROVIDE PROSPECTIVE INVESTORS, PRIOR TO MAKING AN INVESTMENT DECISION, THE OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, THE MANAGER OR ANY PERSON ACTING ON ITS BEHALF, CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING, AND TO OBTAIN ANY ADDITIONAL INFORMATION REGARDING THE UNITS OR THE COMPANY AS SUCH PROSPECTIVE INVESTORS SHALL DEEM NECESSARY OR APPROPRIATE TO MAKE AN INFORMED INVESTMENT DECISION.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM (OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE COMPANY, THE MANAGER, ITS AFFILIATES, OR THEIR RESPECTIVE EMPLOYEES OR AGENTS) AS LEGAL OR TAX ADVICE AND ARE ADVISED TO CONSULT THEIR OWN COUNSEL, ACCOUNTANT, AND OTHER ADVISORS AS TO LEGAL, TAX, ECONOMIC, AND RELATED MATTERS CONCERNING THE INVESTMENT DESCRIBED HEREIN AND ITS SUITABILITY.

THIS MEMORANDUM CONTAINS A FAIR SUMMARY OF THE MATERIAL TERMS OF THE DOCUMENTS PURPORTED TO BE SUMMARIZED HEREIN. HOWEVER, THIS IS A SUMMARY ONLY AND DOES NOT PURPORT TO BE COMPLETE. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW THE OPERATING AGREEMENT, SUPPORTING DOCUMENTS, AND OTHER INFORMATION FURNISHED HEREWITH FOR COMPLETE INFORMATION CONCERNING THE RIGHTS AND OBLIGATIONS PERTAINING TO AN INVESTMENT IN THE UNITS.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO ANY PERSON WHO DOES NOT MEET THE SUITABILITY REQUIREMENTS DESCRIBED UNDER "INVESTOR SUITABILITY." REPRODUCTION OF THIS MEMORANDUM IS STRICTLY PROHIBITED. BY ACCEPTING DELIVERY OF THIS MEMORANDUM, YOU AGREE TO RETURN THIS MEMORANDUM AND ALL RELATED DOCUMENTS TO THE COMPANY IF YOUR SUBSCRIPTION TO PURCHASE UNITS IS NOT ACCEPTED OR YOU DO NOT ELECT TO PURCHASE ANY UNITS OFFERED HEREBY.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANYONE IN ANY STATE OR IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED.

UNLESS OTHERWISE DESCRIBED HEREIN, NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS MEMORANDUM. THE COMPANY HAS NOT AUTHORIZED ANY OFFERING LITERATURE OR ADVERTISING, EXCEPT THE INFORMATION CONTAINED HEREIN OR IN THE DOCUMENTS ATTACHED TO THIS MEMORANDUM. ANY INFORMATION OR REPRESENTATION NOT CONTAINED IN THIS MEMORANDUM OR IN THE DOCUMENTS ATTACHED TO THIS MEMORANDUM MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE MANAGER. EXCEPT AS OTHERWISE INDICATED, THIS MEMORANDUM SPEAKS AS OF THE DATE FIRST SET FORTH ABOVE. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE RESPECTIVE DATES AT WHICH THE INFORMATION IS GIVEN HEREIN OR THE DATE HEREOF.

NOTICE FOR FLORIDA INVESTORS ONLY

THE SECURITIES BEING OFFERED HAVE NOT BEEN REGISTERED WITH THE FLORIDA DIVISION OF SECURITIES. IF SALES ARE MADE TO FIVE OR MORE FLORIDA PURCHASERS, EACH SALE IS VOIDABLE BY THE PURCHASER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER OR WITHIN THREE DAYS AFTER AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER.

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FORWARD-LOOKING STATEMENTS

This Memorandum contains forward-looking statements that involve risks and uncertainties. These statements relate to future events or the Company's future financial performance. In some cases, the forward-looking statements can be identified by terminology including "could," "may," "will," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue," "opportunity" or the negative of these terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In evaluating these statements, a prospective investor should specifically consider various factors, including the risks described in this Memorandum. These factors may cause the Company's actual results to differ materially from any forward-looking statements. Although the Manager believes the expectations reflected in the forward-looking statements are reasonable, neither the Company nor the Manager can guarantee future results, levels of activity, performance, or achievements.

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SUMMARY OF THE OFFERING

The following summary is qualified in its entirety by (i) detailed information appearing elsewhere in, or attached to, this Memorandum and (ii) the Company's Operating Agreement, a copy of which has been provided in connection with this Memorandum. The Company urges each prospective investor to review in detail each document provided by the Company in connection with the Offering, including, without limitation, the Operating Agreement, in its entirety prior to making an investment decision. In the event of any contradiction between the summary below and the terms and conditions of the documents themselves, the terms and conditions of the documents shall govern and control.

The Company:	RockStep HomeTown America Fund I LLC, a Delaware limited liability company, was formed on May 6, 2024. The Company's principal offices are located at 1445 North Loop West, Suite 625, Houston, Texas 77008.
The Manager:	The Company is manager-managed, and the Manager is RockStep Fund I Management LLC, a Delaware limited liability company that is owned by Danbury Capital Management, LP, a Delaware limited partnership affiliated with RockStep Capital, and managed by Andy Weiner, the President of RockStep Capital. The Manager may be reached at andyweiner@rockstep.com or 713.554.7601 (office) or 832.816.4666 (mobile).
Purpose of the Company:	The purpose of the Company is to invest in real estate and interests in real estate, as further described in this Memorandum. The Operating Agreement gives the Manager substantial latitude to manage the Company and its Assets as the Manager determines to be in the best interests of the Company.
The Offering:	The Manager is seeking capital commitments in an aggregate amount of up to Fifty Million Dollars ($50,000,000) ("**Capital Commitments**") to purchase Units, which entitles the holders thereof to certain governance and economic rights as further described in the Company's Operating Agreement, a copy of which has been provided in connection with this Memorandum. (See "SUMMARY OF THE OPERATING AGREEMENT.") The Manager may increase or decrease the size of the Offering or terminate the Offering at any time in its sole discretion. The Manager will not conduct the initial closing of the Offering (the "**Initial Closing**") until the Manager receives subscriptions for Capital Commitments in an aggregate amount of at least Two Million Dollars ($2,000,000), but the Manager may determine to terminate the Offering before the Initial Closing.

After the Initial Closing, the Manager may conduct multiple closings of the Offering and accept subscriptions from investors at any time (each a "**Subsequent Closing**" and, together with the Initial Closing, each a "**Closing**") for a period of up to twenty-four (24) months after the date of the Initial Closing (the "**Raise Period**") or until the Manager has accepted subscriptions for Capital Commitments in an aggregate amount of up to Fifty Million Dollars ($50,000,000) (the "**Maximum Offering Amount**"); provided, that the Manager may increase the Maximum Offering Amount by any amount, in each case as it determines to be in the best interests of the Company.

The Manager reserves the right to (i) withdraw, limit, expand, extend, or terminate the Offering at any time, (ii) reject any offers to purchase Units or rescind any offers to sell Units, and (iii) amend, if necessary and without refund of any Units previously purchased, the terms of this Memorandum to reflect changes, developments, and new information that occur or become known to the Manager while the Offering is in progress. If necessary, the Manager may offer one or more purchasers rescission of their purchases of Units.

Minimum Investment: Each investor must subscribe to make a Capital Commitment of at least One Hundred Thousand Dollars ($100,000), although the Manager reserves the right to waive the minimum Capital Commitment requirement in its sole discretion.

Suitability Requirements: The Offering is being made pursuant to an exemption from the registration requirements of the Securities Act available under Rule 506(c) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act. Accordingly, the Offering is only being made to those prospective investors that: (a) are "accredited investors" (as that term is defined in Rule 501(a) promulgated by the Securities and Exchange Commission under the Securities Act) and (b) alone, or together with their purchaser representatives, have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of a purchase of Units. Each investor will be required to have its attorney, accountant, broker-dealer, or investment adviser, or a third-party verification service, verify to the Manager the investor's accredited investor status. An investment in the Units involves significant risk and is suitable only for persons of adequate financial means and that have no need for liquidity with respect to the investment and can bear the

economic risk of a complete loss of their investment. (See "INVESTOR SUITABILITY".)

Plan of Distribution: The Offering is being conducted on a "best efforts" basis by the Company. The Offering is not underwritten. The Company may engage placement agents, broker/dealers, or finders with respect to the Offering and any fees earned by such persons shall be considered Company Expenses.

Subscription Process: The Manager may accept or reject subscriptions for any reason, in whole or in part, in its sole discretion. The Manager is not obligated to accept a subscription, even when the investor would otherwise meet the suitability requirements for an investment.

Once an investor submits a signed Subscription Agreement, the investor will be contractually obligated to make capital contributions (each a "**Capital Contribution**" and collectively the "**Capital Contributions**") to the Company in the aggregate amount of the investor's Capital Commitment set forth in the investor's Subscription Agreement that is accepted by the Manager on behalf of the Company. (See "SUMMARY OF THE OPERATING AGREEMENT" AND "HOW TO SUBSCRIBE.") The obligation to make such Capital Contributions is mandatory, not optional on the investor's part once the investor submits a signed Subscription Agreement.

An investor is encouraged to make a deposit with the Company in the full amount of the investor's Capital Commitment concurrently with submitting a signed Subscription Agreement (a "**Capital Deposit**"), but is not required to do so and may elect to either make a Capital Deposit of less than the full amount of the investor's Capital Commitment or not make a Capital Deposit at the time of submitting a signed Subscription Agreement. Any Capital Deposit will be retained by the Company in an escrow account and held for the benefit of the investor (with any interest earned thereon payable to the Manager), to then be applied by the Manager to satisfy the investor's obligation to make Capital Contributions or other payments to the Company as set forth in the Operating Agreement. However, if the investor has not made a Capital Deposit or there are insufficient Capital Deposit funds available, then the investor shall be required to pay the Capital Contributions in full within ten (10) business days after they are called for by the Manager, as set forth in the Operating Agreement. (See "SUMMARY OF THE OPERATING AGREEMENT.")

If the investor's subscription is not accepted by the Manager, whether in whole or in part, the Company will promptly return

any portion of the funds received from the investor for which the investor's subscription was not accepted by the Manager without penalty or interest.

The Manager may establish blocker, feeder, or other onshore or offshore structures to facilitate investment in the Company by non-U.S. taxpayers in a tax efficient manner and, in such event, such non-U.S. taxpayer investors may be required to complete, execute, and deliver additional documentation. The fees and costs incurred in respect of establishing any such structures shall be borne by the non-U.S. taxpayer investors participating in them.

Use of Proceeds: The Company will use the proceeds from the Offering to implement its investment strategy and pay or reimburse the Manager or its affiliates for certain Company Expenses (as defined in the Operating Agreement). (See "MANAGER COMPENSATION AND FEES.")

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SUMMARY OF THE OPERATING AGREEMENT

The following summary is qualified in its entirety by reference to the Company's Operating Agreement, a copy of which has been provided in connection with this Memorandum. The Company urges each prospective investor to carefully review the Operating Agreement in its entirety prior to making an investment decision. In the event of any contradiction between the summary below and the terms and conditions of the Operating Agreement, the terms and conditions of the Operating Agreement shall govern and control.

Management:

The Company is manager-managed, and the Manager is RockStep Fund I Management LLC, a Delaware limited liability company that is owned by Danbury Capital Management, LP, a Delaware limited partnership affiliated with RockStep Capital, and managed by Andy Weiner, the President of RockStep Capital. The Manager's principal offices are located at 1445 North Loop West, Suite 625, Houston, Texas 77008. The Manager may be reached at andyweiner@rockstep.com or 713.554.7601 (office) or 832.816.4666 (mobile).

RockStep Management may only be removed as the Manager under limited circumstances.

The Manager will identify, select, acquire, structure, manage, develop, and divest Assets on behalf of the Company, as further described in this Memorandum. The Operating Agreement gives the Manager substantial latitude to manage the Company and its Assets as the Manager determines to be in the best interests of the Company.

The Manager is not liable for any debt, obligation, or liability of the Company, solely by reason of being the Manager.

Units:

The Units are uncertificated and entitle the holders thereof that are admitted as members of the Company pursuant to the terms of the Operating Agreement ("**Members**") to certain governance and economic rights apportioned according to each Member's outstanding Units divided by all the Members' outstanding Units (an "**Ownership Interest**").

Governance Rights:

The management of the Company and its affairs is vested in the Manager, and accordingly the Members have minimal rights to participate in the governance of the Company and its affairs.

Notwithstanding the foregoing, the following actions (each, a "**Major Decision**") require the approval of the Members collectively holding an Ownership Interest in excess of fifty percent (50%) (a "**Majority of the Members**"):

- Amendment of the Operating Agreement (subject to

certain exceptions where the Manager may unilaterally amend the Operating Agreement or where a higher threshold is required for approval by the Members);

- Merging or consolidating the Company with any other entity;
- Any action that would change the nature or purpose of the business of the Company or make it impossible for the Company to operate in the ordinary course of business; and
- Any action in contravention of the Operating Agreement.

Additionally, the Members may only require the Company to dissolve and liquidate its assets upon the affirmative vote or consent of the Manager and the Members collectively holding an Ownership Interest of at fifty percent (50%).

Meetings: Either the Manager or the Members collectively holding an Ownership Interest of at least twenty-five percent (25%) may call for a meeting of the Members. The Company may, but is not required, to hold an annual meeting of the Members. Meetings may be held in person, by telephone, or otherwise as allowed by the Operating Agreement. At any meeting of the Members, a Member may vote in person or by a proxy executed in writing by the Member or by the Member's duly authorized attorney-in-fact.

Removal of the Manager: The Manager may be removed upon the vote or consent of the Members collectively holding an Ownership Interest of at least eighty percent (80%) if a court or arbitration panel determines the Manager has committed embezzlement, fraud, or any other act involving material improper personal benefit against the Company or any of its Assets, or materially breached the Operating Agreement. In the event the Manager is removed by the Members, a new Manager may be elected by a vote or consent of a Majority of the Members.

Change in Principal of Manager: In the event that Andy Weiner is no longer serving as the manager of the Manager, whether as a result of his death or disability or any other reason, the Company shall pause all new investments in Assets and all closings of the Offerings unless and until a replacement for Mr. Weiner is identified and elected as the manager of the Manager in accordance with the Manager's limited liability company agreement.

Carried Interest or Promote: Danbury Family Partnership A, LP, a Delaware limited partnership, or such other affiliate as designated by Rockstep Management (the "**Promote Holder**"), shall be allocated and

distributed a portion of the distributions that would otherwise be made to the Members after payment of their Preferred Return (for interim distributions) or after return of their Capital Contributions and payment of their Preferred Return (for distributions upon liquidation).

Interim Distributions: During the term of the Company, any distributions will be made at the sole discretion of the Manager. The Manager does not anticipate making distributions during the first twelve (12) to eighteen (18) months while the Company is acquiring Assets and spending capital to implement its strategy.

Any net cash of the Company, whether generated by ordinary operations of the Company or sales, exchanges, and other divestments of Assets, after paying expenses and funding reserves (defined as "**Available Proceeds**" in the Operating Agreement) will be distributed as, if, and when determined by the Manager as follows:

(i) First, to the Members pro rata according to their respective unpaid Preferred Return until each Member receives an amount equal to eight percent (8%) (for Class A Members), eight and one-half percent (8.5%) (for Class B Members), or nine percent (9%) (for Class C Members) of the Member's unreturned Capital Contributions, accruing on a cumulative, non-compounding basis from the date such Capital Contributions were made by the Member to the Company until the date such Capital Contributions are returned by the Company to the Member (the "**Preferred Return**");

(ii) Second, to the Promote Holder until the Promote Holder receives an amount that is equal to (A) the aggregate Capital Contributions, multiplied by (B) the average percentage of promote the Promote Holder would be entitled to receive pursuant to clause (iii) below, multiplied by (C) the average rate of Preferred Return payable to Members pursuant to clause (i) above; and

(iii) Thereafter, to the Members pro rata in accordance with their respective Ownership Interest until each Member receives an amount equal to seventy percent (70%) (for Class A Members), seventy-five percent (75%) (for Class B Members), or eighty percent (80%) (for Class C Members) of the amount that would be distributable to the Members pursuant to this clause (iii), with the remaining thirty percent

(30%), twenty-five percent (25%), or twenty percent (20%) payable to the Promote Holder.

Allocations of the Company's net income to the Members are intended to be consistent, over time, with distributions of cash. Allocations of net income in any particular tax year may create taxable income for Members without a corresponding distribution of cash from the Company.

Distributions upon Liquidation: Upon the dissolution and liquidation of the Company, any net proceeds of the Company's assets, after paying expenses and funding reserves, shall be distributed first to the Members pro rata according to their respective unreturned Capital Contributions until each Member receives a full return of their Capital Contributions, and thereafter pursuant to the same waterfall as set forth above for interim distributions.

Reinvestments: During the Investment Period, in lieu of distributions the Manager may choose to use any Available Proceeds for new investments or follow-on investments in existing Assets, and if the Manager makes any distributions constituting a return of Capital Contributions during the Investment Period, such amounts will be added to the Members' unfunded Capital Commitments and may be called again by the Manager pursuant to the terms of the Operating Agreement.

Recall of Distributions: For up to three (3) years after the dissolution of the Company, to the extent needed to fund any Company liabilities, including, without limitation, the Company's indemnity obligations, in the event the Company does not have sufficient cash or unfunded Capital Commitments to satisfy those obligations, the Company may require the Members to return any distributions previously made to them; provided, however, that in no event will a Member be obligated to return an amount greater than twenty-five percent (25%) of the lesser of (i) that Member's total Capital Commitment and (ii) all distributions previously made to that Member.

Term: The Company will continue in perpetuity until dissolved under the terms of the Operating Agreement or applicable law.

Investment Period: The Company may make investments and acquire Assets during a period of thirty-six (36) months following the date of the Initial Closing (the "**Investment Period**").

Liquidation Date: The Manager will use commercially reasonable efforts to liquidate all Assets within five (5) years following the earlier of (i) the end of the Investment Period and (ii) the date the Company acquired

its most recent Investment prior to the end of the Investment Period (the "**Liquidation Date**").

Notwithstanding the foregoing, the Manager retains all control and discretion over the acquisition, ownership, management, and divestment of the Company's Assets or other assets and the Manager is not required to cause the Company to hold any Asset for any specified period of time or divest any Asset by a specified date, or to cause the Company to dissolve and liquidate the Company's Assets or other assets within a specified period of time or by a specified date.

Investment by RockStep Management: RockStep Management or any affiliate thereof shall make a Capital Commitment that all times is equal to at least two percent (2%) of the aggregate Capital Commitments, execute and deliver a Subscription Agreement, become admitted as a Member, and make Capital Contributions on the same terms as the other Members, except that RockStep Management or such affiliate shall be entitled to receive Class A Units for its Capital Contributions and be treated as a Class A Member regardless of the amount of its Capital Commitment.

Capital Commitments: In consideration for their Capital Commitments to purchase Units, Members are contractually obligated to make Capital Contributions to the Company in the aggregate amount of their respective Capital Commitments set forth in their respective Subscription Agreements that are accepted by the Manager on behalf of the Company.

Capital Contributions: The Members shall be required from time to time to make Capital Contributions as set forth in the Operating Agreement and summarized below. Subject to the Manager's right to recall amounts distributed as a return of Capital Contributions, in no event shall the Members be required to make Capital Contributions in an aggregate amount that exceed their Capital Commitments.

Capital Deposits: As set forth in the Subscription Agreement, Members are encouraged, but are not required to, make Capital Deposits with the Company in the full amount of their Capital Commitments at the time they submit their Subscription Agreements. These Capital Deposits will be retained by the Company in an escrow account and held for the benefit of the Members (with any interest earned thereon payable to the Manager), to then be applied by the Manager to satisfy such Members' obligations to make Capital Contributions or other payments to the Company as set forth in

the Operating Agreement. (SEE "SUMMARY OF THE OFFERING" AND "HOW TO SUBSCRIBE.")

Capital Calls:

During the Investment Period, the Manager may from time to time call for the Members to make Capital Contributions (each, a "**Capital Call**"), as needed to (i) make investments or acquire Assets, (ii) make follow-on investments in Assets, (iii) repay any Company indebtedness or pay any Company liabilities, including, without limitation, the Company's indemnity obligations hereunder, (v) cover amounts necessary to maintain or protect the value of existing investments, or (vi) establish any reserves that the Manager determines to be reasonably necessary or advisable for purposes of paying the Company's anticipated expenses or effectively managing the Company's investments, including, without limitation, maintaining Company liquidity, being able to respond to future capital needs of the Assets, or for similar reasons.

For Members that have made Capital Deposits, the amount of the Capital Contributions required to be made by such Members in response to a Capital Call will be deducted from such Members' Capital Deposits and transferred from the escrow accounts in which such Members' Capital Deposits are being held to the Company's operating account as of the due date specified in the Capital Call. For Members that have not made Capital Deposits or have insufficient funds remaining in their Capital Deposits, such Members shall be required to make the Capital Contributions in the full amount specified in the Capital Call, net of any remaining Capital Deposit funds being held on behalf of such Members, by the due date specified in the Capital Call, which date shall be not less than ten (10) business days after the date the Members receive the Capital Call.

Although the Manager will use reasonable efforts to equalize the portion of each Member's Capital Commitment that the Member has contributed by the end of the Investment Period, it is possible that some Members will ultimately contribute a greater or lesser portion of their Capital Commitments than others during the Investment Period or the term of the Company.

After the Investment Period, the Manager may not issue a Capital Call for the purpose of making new investments or acquiring new Assets, but may issue one or more Capital Calls for the purposes set forth in clauses (ii) thru (vi) above.

The Manager may release Members from their remaining Capital Commitment obligations and may return any portion of their

Capital Deposits at any time, if the Manager determines the Company is unlikely to need such capital.

Issuance of Units: The Company shall issue Units of limited liability company interest in the Company to the Members in consideration of their Capital Contributions upon the Company's receipt of such Capital Contributions (whether pursuant to a transfer of Capital Deposit funds from the escrow accounts in which such funds are being held to the Company's operating account or payments received by the Company from Members in response to Capital Calls) at a purchase price at the then-current purchase price per Unit (the "**Unit Price**"). For the Initial Closing, the Unit Price shall be One Thousand Dollars ($1,000) per Unit. For each Subsequent Closing, the Unit Price shall be determined in good faith by the Manager based on the total fair market value of the Assets as of the date of the Subsequent Closing, less any estimated closing costs to be incurred by the Company in connection with the Subsequent Closing, with any Assets acquired by the Company less than ninety (90) days prior to the Subsequent Closing being valued at their acquisition cost to the Company and all other Assets valued according to an appraisal provided to the Company within ninety (90) days prior to the Subsequent Closing by a qualified, independent appraiser selected by the Manager.

Classes of Units: The Units shall be further designated as "**Class A Units**" (which shall be issued to Members that make Capital Commitments of at least One Hundred Thousand Dollars ($100,000) and less than One Million Dollars ($1,000,000), referred to as "**Class A Members**"), "**Class B Units**" (which shall be issued to Members that make Capital Commitments of at least One Million Dollars ($1,000,000) and less than Five Million Dollars ($5,000,000), referred to as "**Class B Members**"), and "**Class C Units**" (which shall be issued to Members that make Capital Commitments of at least Five Million Dollars ($5,000,000), referred to as "**Class C Members**"); provided, that the Members that participate in the Initial Closing shall receive an increase in one class of Units. For example, a Member that makes a Capital Commitment at the Initial Closing of One Million Two Hundred Thousand Dollars ($1,200,000) shall receive Class C Units instead of Class B Units. The Units shall have the same rights and obligations, except with respect to the rate of Preferred Return and profit share with the Promote Holder.

Defaulting Members: In the event a Member does not make a Capital Contribution when required under the terms of the Operating Agreement, the Manager may take certain remedial actions, including:

- Reducing the defaulting Member's Capital Contributions by up to the full amount of the defaulting Member's initial Capital Contribution (and allocating the same pro rata to the other Members);
- Admitting to the Company an additional Member or Members, and causing the defaulting Member to sell all its Units to such additional Member or Members at such price as the Manager may determine in its discretion, including at a discount to fair market value;
- Causing the defaulting Member to sell all its Units to any persons designated by the Manager, at such price as the Manager may determine in its sole discretion, including at a discount to fair market value;
- Requiring the other Members to make up the defaulting Member's Capital Contribution (provided that no Member will be required to fund Capital Contributions in excess of the Member's Capital Commitment); and
- Charging the defaulting Member collection costs and legal fees, plus default interest thereon at a rate of eighteen percent (18%).

Information Rights: At the expense of the Company, the Manager shall maintain the following records at the principal offices of the Company:

- A current list of the names and mailing addresses of the Members;
- The Company's Certificate of Formation and all amendments thereto;
- The Company's Operating Agreement and all amendments thereto; and
- The Company's federal, state, and local tax returns and reports for the last three (3) years.

Each Member shall have access to the Company's books and records at reasonable times and upon reasonable advance request to inspect them.

The Company's financial statements shall be prepared by a certified public accountant selected by the Manager. The Manager may, but shall not be required to, have the Company's annual financial statements reviewed or audited by a qualified, independent auditor selected by the Manager. The Company's financial statements, including any reviewed or audited financial

statements, will be made available to the Members for their review upon request.

Other Interests of the Manager and Affiliates:

The Operating Agreement provides the Manager and its affiliates significant latitude to engage in other business activities, even if such business activities would compete with the interests of the Company or the Members or would limit the Manager's ability to manage the Company and the Assets.

In particular, and without limiting the foregoing, the Manager and its affiliates may carry on investment activities for their own accounts and for persons other than the Company or the Members, including any prior or future investment funds or projects managed or participated in by the Manager or any of its affiliates (each an "**Other Fund**" and collectively the "**Other Funds**"), that may compete with the Company for investment opportunities. (See "MANAGEMENT.") There is no requirement that the Manager bring a particular investment opportunity to the Company before taking that opportunity for the Manager's own account, any Other Funds, or any other persons other than the Company or the Members.

Additionally, the Company may, in the Manager's sole discretion, (i) lend money to, take a security interest in, or otherwise invest in any Asset or entity that holds an Asset that is owned or invested in by any Other Fund, the Manager, or any affiliate of the Manager, (ii) guarantee the debt obligations of any entity that holds an Asset, (iii) purchase any Asset from any Other Fund, the Manager, or any affiliate of the Manager, (iv) co-invest in any Asset alongside any Other Fund, the Manager, or any affiliate of the Manager, (v) issue interests in any entity that holds an Asset in exchange for cash or in-kind contributions, services, or other types of consideration, (vi) sell any Asset to any Other Fund, the Manager, or any affiliate of the Manager, or (vii) give or refuse to give affiliates, Members, and other persons, including any Other Funds, the opportunity to co-invest in Assets alongside the Company.

The Operating Agreement also gives the Manager significant latitude to enter into agreements and engage persons (including affiliates of the Manager) to provide services in connection with the Assets. For example, and without limiting the foregoing, the Manager may cause the Company to enter into property management, leasing, development, brokerage, loan placement, or other arrangements with affiliates with respect to the Assets so long as such arrangements are on terms and conditions that are customary for arm's-length transactions of the type in the applicable geographic market, as determined by the Manager.

(See "MANAGER," "MANAGER COMPENSATION AND FEES" and "CONFLICTS OF INTEREST.")

Leverage:

The Operating Agreement gives the Manager significant latitude to borrow funds and grant security interests in the Assets in order to carry out the Company's investment strategy.

The Company may utilize one or more lines of credit or other sources of debt to acquire Assets when it does not have sufficient capital available through the Capital Call process, such as during the initial stages of the Company. Any such credit facility is expected to be secured by the Assets and an assignment of the Members' Capital Commitments. Any credit facility may take the form of promissory notes secured by the Assets and sold to private investors, including foreign investors, and may be structured as registered notes intended to comply with the portfolio interest exemption.

The Manager retains discretion to cause the Company to maintain whatever ratio of debt to investor equity the Manager determines to be in the best interests of the Company. Members may be required to acknowledge their obligation to pay their share of such indebtedness up to the amount of their unfunded Capital Commitments.

To the extent additional recourse is required to obtain debt on attractive terms, the Manager or its principals may, in their discretion, provide such recourse in exchange for a reasonable guarantee fee.

The Company may refinance any Asset if determined to be advisable by the Manager and any excess proceeds from such refinancing activity will be reinvested by the Company or distributed to the Members.

Special Purpose Entities:

For legal, tax, regulatory, or other reasons, the Manager may determine that it is appropriate for the Company to make investments in Assets indirectly through one or more special purpose entities. For the avoidance of doubt, the Manager does not intend for the Company's investments to be subject to any carried interests or promotes at the Asset level.

Company Expenses:

To the extent not paid at the Asset level, the Company shall pay or reimburse the Manager or its designated affiliate for the following expenses (collectively, "**Company Expenses**"):

- a management fee (the "**Management Fee**") in the amount of one and a half percent (1.5%) per annum of all Capital Commitments, less (i) during the Investment Period, the aggregate amount of all distributions of Available

Proceeds constituting a return of Capital Contributions resulting from a sale of an Asset (but not a refinance of an Asset) and (ii) following the Investment Period, the amounts described in clause (i) above and the aggregate amount of all unfunded Capital Commitments as of the date of the expiration of the Investment Period, payable to the Manager at the end of each month and carried forward on a cumulative, non-compounding basis until paid in full, commencing on the date of the Initial Closing and continuing until the date all Assets have been divested;

- an acquisition fee upon the closing of any acquisition of an Asset (collectively, "**Acquisition Fees**"), in an amount that is the greater of (A) Two Hundred Thousand Dollars ($200,000) or (B) one and one-half percent (1.5%) of the total purchase price for the Asset being acquired;
- a disposition fee upon the closing of any disposition of any Asset or portion of an Asset (collectively, "**Disposition Fees**"), in an amount that is the greater of (A) One Hundred Thousand Dollars ($100,000) or (B) three-fourths percent (0.75%) of the total sale price for the Asset or portion of the Asset being sold;
- property management, construction management, project management, and related consulting and processing fees as determined from time to time to be market-rate by the Manager according to the guidelines set forth in this Memorandum (see "MANAGER COMPENSATION AND FEES");
- if the Manager, an affiliate of the Manager, or any of its or their respective principals guarantee the obligations of the Company or any Asset in connection with any Loan, market-rate guarantee fees payable to the guarantors as determined by the Manager (collectively, "**Guarantee Fees**");
- if the Manager or an affiliate of the Manager provides any services with respect to development of an Asset, a market-rate development fee (collectively, "**Development Fees**");
- such other market-rate fees as shall be payable by the Company to the Manager or its affiliates for services incurred by or on behalf of the Company in accordance with the terms of the Operating Agreement;
- all legal, tax, and accounting fees and other expenses incurred in the formation of the Company and preparing

and distributing this Memorandum and related offering documentation and marketing materials for purposes of the Offering, federal and state securities filings in connection with the Offering and sale of the Units, and related items;

- fees and other expenses relating to raising capital, including, without limitation, capital placement fees, introduction fees, and marketing expenses;
- for acting as the Company's Fund Administrator, market-rate fund administration fees payable to the Fund Administrator (collectively, "**Fund Administration Fees**"), and all other expenses incurred in the administration of the Company, including, without limitation, accounting reports, tax returns, audits, legal matters, and other matters;
- brokerage fees, property management fees, construction management fees, and leasing costs relating to Assets;
- taxes and insurance;
- Loan obligations and related fees and costs;
- all costs and expenses incurred by the Company in pursuing Assets, including Assets pursued but not acquired;
- travel and meal costs;
- litigation and other extraordinary expenses;
- expenses associated with the Manager's or the Company's communications with Members and holding of Member meetings; and
- any other expenses associated with the Company or its business, including, without limitation, any fees, costs, or other expenses relating to acquiring, holding, operating, managing, refinancing, or disposing of any Assets.

The Manager will endeavor to cause any fees related to a particular Asset to be paid at the Asset level, but to the extent they are not paid at the Asset level they shall be treated as Company Expenses payable or reimbursable by the Company. The Company Expenses will be paid prior to determining whether there is any cash available for distribution to the Members.

Capital Accounts: The Company will establish a capital account for each Member in accordance with the Internal Revenue Code of 1986, as amended (the "**Code**") and the regulations promulgated thereunder. The

Manager will credit the capital account it establishes for each Member when it receives a Capital Contribution from the Member. The Manager will allocate to each Member's capital account income, gains, losses, and distributions in accordance with the Operating Agreement. Each Member's capital account will increase by the amount of additional Capital Contributions such Member makes and by such Member's pro rata share of income and gains realized by the Company. Each Member's capital account will decrease by such Member's pro rata share of losses and any amounts distributed to such Member.

Transfers:

Transfers of Units are severely restricted under applicable federal and state securities laws and the terms of the Operating Agreement. There is no public market for the Units and none will develop anytime in the future. The Manager must approve any transfers and any new Members. In the event that the Manager approves of a transfer, the Company's records will be amended to reflect such transfer on a timely basis.

Except for purposes of any credit facilities of the Company, Members may not pledge, hypothecate, grant a security interest in, or otherwise encumber any of their Units.

Indemnification:

To the fullest extent permitted by law, the Company will indemnify and hold harmless the Members, the Manager, their affiliates, and their respective officers, directors, employees, and agents from and against any liabilities arising from the indemnitee's role with respect to the Company, except, in each case, for the indemnitee's fraud, bad faith, gross negligence, or willful misconduct.

Limited Liability:

To the fullest extent permitted by law, no indemnitee shall be liable to the Company or the Members except for the indemnitee's fraud, bad faith, gross negligence, or willful misconduct.

Amendments:

Most amendments of the Operating Agreement require the approval of the Manager and a Majority of the Members. Certain amendments of the Operating Agreement require the approval of all the Members, including, for example, amendments that would cause Members to be personally liable for the obligations of the Company or that would change the rights and interests of the Members in distributions or allocations under the Operating Agreement, the voting rights of the Members under the Operating Agreement, or the rights of Members with respect to Capital Contributions or on liquidation of the Company. Other ministerial or administrative amendments of the Operating Agreement may be made by the Manager without approval by the Members.

INVESTOR SUITABILITY

The Offering is being made pursuant to an exemption from the registration requirements of the Securities Act available under Rule 506(c) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act. Accordingly, the Offering is only being made to those prospective investors that: (a) are "accredited investors" (as that term is defined in Rule 501(a) promulgated by the Securities and Exchange Commission under the Securities Act) and (b) alone, or together with their purchaser representatives, have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of a purchase of Units. Furthermore, an investment in the Units involves significant risk and is suitable only for persons of adequate financial means and that have no need for liquidity with respect to the investment and can bear the economic risk of a complete loss of their investment.

The suitability standards discussed herein represent only the minimum suitability standards for investors. The satisfaction of such standards by an investor does not necessarily mean that the Units are a suitable investment for such investor. All prospective investors are encouraged to consult with their own advisors to determine whether an investment in the Units is appropriate for them. The Manager may reject subscriptions in whole or in part in its sole discretion, even when investors may otherwise meet the suitability standards and qualify for an investment.

In order to subscribe to purchase Units, each investor will be required complete, sign, and return a Subscription Booklet, a copy of which has been provided in connection with this Memorandum, which includes a Subscription Agreement pursuant to which the investor represents and warrants to the Company that (among other things): (i) the investor is an accredited investor; (ii) by reason of the investor's business or financial experience or that of the investor's purchaser representatives, the investor is capable of evaluating the merits and risks of an investment in the Units; (iii) the investor is acquiring the Units for its own account, for investment only, and not with a view toward the resale or distribution thereof; (iv) the investor is aware that the Units have not been registered under the Securities Act or any state securities laws and that transfer thereof is restricted by the Securities Act and applicable state securities laws; and (v) the investor is aware of the absence of a market for the Units.

Accredited Investor and Net Worth Requirements

To qualify as an accredited investor, an investor must satisfy the definition of "accredited investor" under Rule 501(a) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act. Generally, to be treated as an accredited investor, an investor must satisfy one of the following tests:

(a) Individuals. If the purchaser is an individual, the purchaser must represent that he or she (i) has an individual net worth, or joint net worth with that person's spouse, of at least $1 million excluding the value of the purchaser's primary residence and any indebtedness that is secured by the purchaser's residence, except for the amount of indebtedness that is secured by the purchaser's primary residence that exceeds, at the time of his or her purchase of the securities offered, (A) the estimated fair market value of the primary residence or (B) the amount of indebtedness outstanding 60 days before the time of his or her purchase of the securities offered,

other than as a result of the acquisition of the primary residence, or (ii) had an individual income in each of the two most recent years in excess of $200,000, or joint income with the purchaser's spouse in excess of $300,000 for each of the two most recent fiscal years, and in either case, the purchaser has a reasonable expectation of reaching the same income level in the current year.

(b) Entities. (i) Any corporation, Massachusetts or similar business trust, or partnership that was not formed for the specific purpose of acquiring the securities offered and has total assets in excess of Five Million Dollars ($5,000,000), or (ii) any entity in which all of the equity owners are individuals who each have a net worth (including assets jointly held with his or her spouse) in excess of One Million Dollars ($1,000,000) excluding the value of the individual's primary residence and any indebtedness that is secured by the individual's residence, except for the amount of indebtedness that is secured by the individual's primary residence that exceeds, at the time of the entity's purchase of the securities offered, (A) the estimated fair market value of the primary residence or (B) the amount of indebtedness outstanding sixty (60) days before the time of purchase of the securities offered, other than as a result of the acquisition of the primary residence.

(c) Certain Trusts. Any trust with total assets in excess of Five Million Dollars ($5,000,000) not formed for the specific purpose of acquiring the securities offered whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act.

(d) Benefit Plans. Any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, if such plan has total assets in excess of Five Million Dollars ($5,000,000); any Benefit Plan within the meaning of ERISA (defined below) if the investment decision is made by a "Plan Fiduciary," as defined in Section 3(21) of ERISA, that is a bank, savings and loan association, insurance company or registered investment advisor, or that has total assets in excess of Five Million Dollars ($5,000,000); or, if the Benefit Plan is a self-directed plan or IRA (defined below), the plan or IRA has its investment decisions made solely by participants or beneficiaries that are accredited investors.

(e) Other Purchasers. Other accreditation standards are described in the Subscription Booklet.

Investors should only subscribe for Units if they can afford a complete loss of their investment. These risks include risks associated with general economic conditions, the commercial real estate industry, credit markets, the nature of the Assets, the Company's investment strategy, the nature of the Company's asset-valuation method, the ongoing nature of the Offering, the lack of liquidity, restrictions on redemption, transfer, and resale of the Units, and the mid- to long-term nature of an investment in the Units. Therefore, investors should not purchase Units if they are seeking current income distributions on investments in the short term. Furthermore, they should not purchase Units

for tax write-offs, as the Assets are not expected to generate material losses or shelter other income. (See "SUMMARY OF THE OPERATING AGREEMENT.")

Verification of Accredited Investor Status

In connection with the Company's and its Members' reliance on the exemption from registration provided under Section 4(a)(2) of the 1933 Act and Rule 506(c) of Regulation D promulgated by the SEC thereunder, each investor will need to have its accredited investor status independently verified. An investor must have its accredited investor status independently verified by any one of the following:

- a licensed attorney who is in good standing under the laws of the jurisdictions in which he or she is admitted to practice law; or
- a certified public accountant who is duly registered and in good standing under the laws of the place of his or her residence or principal office; or
- a registered broker-dealer; or
- an investment adviser registered with the SEC; or
- a third-party accredited investor verification service.

Each of the above will have its own process to verify an investor's status as an accredited investor. However, each investor will be required to either (i) have its attorney, accountant, broker-dealer, or investment adviser above deliver a certification letter to the Manager in the form attached to the Subscription Agreement or (ii) have the third-party accredited investor verification service deliver a verification to the Manager acceptable to the Manager in its sole discretion.

Reliance on Subscriber Information

Representations and requests for information regarding the satisfaction of investor suitability standards are included in the Subscription Booklet that each prospective investor must complete. The Units have not been registered under the Securities Act and are being offered in reliance on Section 4(a)(2) thereof and Regulation D promulgated by the Securities and Exchange Commission thereunder, and in reliance on applicable exemptions from state law registration or qualification provisions. Accordingly, before selling Units to any offeree, the Manager intends to make all inquiries reasonably necessary to satisfy itself that the prerequisites of such exemptions have been met. Prospective investors will also be required to provide whatever additional evidence is deemed necessary by the Manager to substantiate information or representations contained in their Subscription Booklets. The standards set forth above are only minimum standards. The Manager reserves the right, in its exclusive discretion, to reject any Subscription Booklet for any reason, regardless of whether a prospective investor meets the suitability standards. In addition, the Manager reserves the right, in its exclusive discretion, to waive minimum suitability standards not imposed by law.

The Manager will impose comparable suitability standards in connection with any resale or other transfer of Units permitted under the Operating Agreement.

HOW TO SUBSCRIBE

A Subscription Booklet has been provided in connection with this Memorandum. To subscribe to purchase Units, an investor must fully complete, sign, and deliver the Subscription Booklet, which includes:

(a) The Subscription Agreement, by means of which the investor subscribes to purchase Units and makes certain representations and warranties to the Company, including regarding the investor's qualifications and suitability for investment in the Units;

(b) A counterpart signature to the Operating Agreement, by means of which the investor agrees to be bound by and hold the investor's Units subject to the terms of the Operating Agreement;

(c) Verification of the investor's accredited investor status as specified in the Subscription Agreement, either in the form of an accredited investor verification letter (if the investor's accredited investor status is being verified by the investor's attorney, accountant, broker-dealer, or investment adviser) or a verification certificate acceptable to the Manager in its sole discretion (if the investor's accredited investor status is being verified by a third-party accredited investor verification service);

(d) The investor's contact information;

(e) A Certificate of Non-Foreign Status, by means of which the investor certifies that the investor is a United States person is not subject to withholdings as a foreign investor; and

(f) An IRS Form W-9, by means of which the investor verifies the investor's status as a United States federal income taxpayer and provide the investor's social security number or tax identification number.

An investor may complete, sign, and return a Subscription Booklet using DocuSign or a similar means of electronic transmission, or may email or return a fully completed and signed Subscription Booklet to the Company at the following address:

RockStep Fund I Management LLC
Attn: Andy Weiner
1445 North Loop West, Suite 625
Houston, TX 77008
Email: andyweiner@rockstep.com
Phone: 713.554.7601 (office) or 832.816.4666 (mobile)

Once an investor submits a signed Subscription Agreement, the investor will be contractually obligated to make Capital Contributions to the Company in the aggregate amount of the investor's Capital Commitment set forth in the investor's Subscription Agreement that is accepted by the Manager on behalf of the Company. The obligations to make such Capital Contributions to the

Company are mandatory, not optional on the investor's part once the investor submits a signed Subscription Agreement. The Company does not need to accept subscriptions in the order in which they are received and the Manager may accept or reject a subscription, in whole or in part, in the Manager's sole discretion. The Offering is subject to prior sale, modification, termination, or withdrawal without prior notice.

An investor is encouraged to make a Capital Deposit with the Company in the full amount of the investor's Capital Commitment concurrently with submitting a signed Subscription Agreement, but is not required to do so and may elect to either make a Capital Deposit of less than the full amount of the investor's Capital Commitment or not make a Capital Deposit at the time of submitting a signed Subscription Agreement. Any Capital Deposit will be retained by the Company in an escrow account and held for the benefit of the investor (with any interest earned thereon payable to the Manager), to then be applied by the Manager to satisfy the investor's obligation to make Capital Contributions or other payments to the Company as set forth in the Operating Agreement. However, if the investor has not made a Capital Deposit or there are insufficient Capital Deposit funds available, then the investor shall be required to pay the Capital Contributions in full within ten (10) business days after they are called for by the Manager, as set forth in the Operating Agreement. (See "SUMMARY OF THE OPERATING AGREEMENT.")

If the investor's subscription is not accepted by the Manager, whether in whole or in part, the Company will promptly return any portion of the funds received from the investor for which the investor's subscription was not accepted by the Manager without penalty or interest.

Foreign Investors

The Manager may establish blocker, feeder, or other onshore or offshore structures to facilitate investment in the Company by non-U.S. taxpayers in a tax efficient manner and, in such event, such non-U.S. taxpayer investors may be required to complete, execute, and deliver additional documentation. The fees and costs incurred in respect of establishing any such structures shall be borne by the non-U.S. taxpayer investors participating in them.

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THE BUSINESS OF THE COMPANY

History and Organization

The Company was organized as a Delaware limited liability company on May 6, 2024. The Manager is RockStep Fund I Management LLC, a Delaware limited liability company that is owned by Danbury Capital Management, LP, a Delaware limited partnership affiliated with RockStep Capital, and managed by Andy Weiner, the President of RockStep Capital. The Operating Agreement gives the Manager substantial latitude to manage the Company and its Assets as the Manager determines to be in the best interests of the Company.

Investment Strategy

The Company intends to acquire a range of retail shopping centers with a focus on "Power Centers" (core-plus retail shopping centers) and enclosed malls that the Company can acquire on a value-add or opportunistic basis, but the Company may acquire or invest in any type of retail real property interests, including development projects, debt, and general partner interests (each property, a "**Deal**" or "**Asset**"). The Manager may also elect to pursue debt secured by Assets that meet this general description, including both new and existing debt, which may be performing or non-performing. The Manager retains discretion to invest in any Asset it believes will benefit the Company and its investors. The level of improvement required for the opportunistic Assets would vary from minimal to large lift repositioning projects. The Manager anticipates that the Company will be able to obtain core plus Assets that generate cash flow shortly after acquisition. Through strategic operational improvements, improved management and leasing practices, and leveraging the Manager's extensive industry expertise, the Manager intends to do any necessary improvements, lease up the Assets to hold as cash flowing, then dispose of the Assets when it believes the sale will be most accretive to investors. The Manager's objective is to optimize the revenue potential of the retail shopping centers the Company acquires, maximize returns for investors, and minimize associated risks.

The Manager intends to target Assets in secondary or tertiary markets throughout the United States. The Manager's principals have extensive experience buying and selling retail shopping centers and enclosed malls similar to the Assets the Company intends to pursue, and the Manager believes that this experience will enable it to generate attractive returns for investors by originating and investing in Assets as attractive opportunities arise. The Manager's principals have extensive knowledge about the various aspects of buying, improving, and selling retail shopping centers at scale, and maximizing value by improving the Assets and implementing professional management.

Structure of Investments

Investors in the Company, including the Manager to the extent of any co-investment it makes directly into the Company, will become the "Members" of the Company. The Company is designed to provide its Members with an opportunity to participate indirectly in the Assets by making their investments at the Company level, thereby diversifying their investment across multiple Assets.

The total capitalization needed to acquire each Asset and complete any needed enhancements (including debt and equity) is expected to vary. The Manager intends to limit the Company's

investment in each individual Asset to no more than Fifteen Million Dollars ($15,000,000) in order to minimize concentration risk. The concentration of investment in any one Asset is likely to be higher at the outset of the Company when it has fewer Assets.

The Company intends to acquire most Assets using special purpose entities or similar vehicles that the Company forms, invests in, and acts as the manager of in order to acquire Assets consistent with the Company's investment strategy. The Company may create a new special purpose entity for each investment or may use a single special purpose entity to invest in a series of Assets. The Manager will form and determine the structure of each special purpose entity used to acquire an Asset, which structure may vary from one to another depending on various factors. Most special purpose entities are expected to be structured as Delaware limited liability companies or limited partnerships. When utilizing a special purpose entity, the Company could be the sole Member or, as determined by the Manager in its sole discretion, the Company could co-invest in an Asset with local investors or programmatic investors, participate in joint ventures, or acquire debt or general partner interests.

The Manager will endeavor to cause any fees related to a particular Asset to be paid at the Asset level, but to the extent they are not paid at the Asset level they shall be treated as Company Expenses payable or reimbursable by the Company.

For the avoidance of doubt, the Manager does not intend for the Company's investments to be subject to any carried interests or promotes at the Asset level.

The Manager anticipates the average hold period for each Asset to be five (5) years, but retains the discretion to hold an Asset for a shorter or longer period of time. Most Assets will be held as cash flowing until the Manager determines it would be beneficial to dispose of the Asset, but some Assets will be sold soon after acquisition if the Manager determines that would be the most accretive option for the Company and its investors. The Company and any special purposes entities formed to acquire Assets will retain discretion to hold each Asset (or the Company's investment therein) during the Company's term, and potentially after the end of the Company's term.

Cash Flow

The Company expects to generate income from its proportionate share of distributable cash generated from (i) the operations of each Asset, based on the extent of the Company's investment in the Asset, and (ii) any sale of an Asset.

The Manager intends to primarily target cash-flowing Assets, and therefore believes there may be some cash available to distribute to the Company's investors on a quarterly basis. If Assets do not cash flow as expected, or non-cash flowing Assets offset those that do cash flow, distributions could be reduced. Additionally, the Manager anticipates that during the first twelve (12) to eighteen (18) months while the Company is acquiring assets and spending capital to implement improved management through its affiliated management company, Company Expenses and investment costs will likely offset cash available for distributions. The Manager expects more significant cash flow and returns in later years of the term of the Company once it has completed value add, improved operation of the shopping center properties, and has begun disposing of Assets.

Target Returns

The Company's objective is to produce an overall return to Members in the range of fifteen percent (15%) net of fees. This objective is based on financial modeling using assumptions and targets that the Manager believes to be reasonable. **An investment in the Company is inherently speculative and there can be no promise or guarantee the Company will achieve its return targets, that any Member will experience any returns at all, or even that the Company will not experience losses, which could be substantial.**

Leverage

The Operating Agreement gives the Manager significant latitude to borrow funds and grant security interests in the Assets in order to carry out the Company's investment strategy.

The Manager does not anticipate using a warehouse line or similar debt at the Company level, but does anticipate acquiring most Assets using first mortgage debt at the Asset level, typically in the range of fifty percent (50%) to sixty percent (60%) loan to cost (although the Manager may obtain debt outside this range in its sole discretion). Any loans will typically be secured by a note and trust deed in first lien position on each Asset. Where required by a lender in connection with a loan, the Company may be liable for any bad-boy or similar non-recourse carve outs, environmental indemnities and any similar guarantees required by the lender. The Manager will agree to indemnify the Company and each special purpose entity for any liability under a lender recourse, indemnity, or guarantee agreement, to the extent that liability is caused by the acts or omissions of the indemnifying party. To the extent additional recourse is required to obtain debt on attractive terms, the Manager or its principals may, in their discretion, require a reasonable guarantee fee, which will typically be between three-fourths percent (0.75%) and one percent (1%) of the loan amount at the sole discretion of the Manager in exchange for such recourse.

Members may be required to acknowledge their obligation to pay their share of such indebtedness up to the amount of their unfunded Capital Commitments. Members may not use their Units in the Company as collateral for other indebtedness or pledge, grant a security interest in, or otherwise transfer any rights in the Interests without the consent of the Manager.

The Company or any special purpose entity may refinance any Asset if determined to be advisable by the Manager and any excess proceeds from such refinancing activity will be reinvested by the Company or distributed in accordance with the distribution provisions described above (and during the Investment Period, may be redrawn in subsequent Capital Calls).

Fund Administration

The Company expects to retain the services of a third-party administrator (the "**Fund Administrator**") to provide or manage in exchange for market-rate fees, all necessary investor accounting, reporting and other investor relations activities, and financial administration for the Company and each Asset. The Manager will retain the right to remove or replace the Fund Administrator in its sole discretion.

Financial Statements

The Company will prepare its financial statements in accordance with United States generally accepted accounting principles or use any other appropriate method selected by the Manager in consultation with a certified public accountant selected by the Manager. The Company's financial statements, including any reviewed or audited statements, will be made available to Members for their review upon request.

Audit

The Manager will engage a certified public accountant selected by the Manager to compile annual financial statements each year during the term of the Company. The Manager may, in its sole discretion, elect to have those statements audited or reviewed, but is under no obligation to do so. The Company will also file tax returns each year. Financial statements (including any reviewed or audited financial statements the Manager elects to obtain), and each tax return will be available to Members for their review upon request.

Side Letters

The Manager, on its own behalf or on behalf of the Company, may from time to time enter into letter agreements or other similar arrangements (collectively, "**Side Letters**") with one or more Members. These Side Letters may entitle a Member to make an investment in the Company on terms other than those described in this Memorandum or the Operating Agreement or provide a Member with additional or different rights and benefits.

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MANAGEMENT

RockStep Management

The Company is manager-managed, and the Manager is Rocktep Fund I Management LLC, a Delaware limited liability company that is owned by Danbury Capital Management, LP, a Delaware limited partnership affiliated with RockStep Capital, and managed by Andy Weiner, the President of RockStep Capital. The Manager's principal offices are located at 1445 North Loop West, Suite 625, Houston, Texas 77008. The Manager may be reached at andyweiner@rockstep.com or 713.554.7601 (office) or 832.816.4666 (mobile).

Andy Weiner

President of RockStep Capital, Weiner started RockStep Capital Corporation in 1996. He has built and developed over nine million square feet of shopping centers throughout the United States. Prior to founding RockStep Capital, Weiner served as Vice President of Operations for Weiner Stores, a chain of 159 family clothing stores with locations in Mississippi, Louisiana, and Texas. A Stanford University graduate with a degree in Economics and Political Science, Weiner spent his junior year at the London School of Economics. He received his MBA from the University of Texas and completed Harvard University's business program for retailing executives.

Tommy Stewart

As RockStep's Chief Operating Officer, Stewart coordinates RockStep's property management activities including inspections, financial reporting, troubleshooting, maintenance, and tenant relations. In addition, he is responsible for leasing new and existing properties, developing and reviewing budgets, and pricing shopping center services, expense control, and marketing. Prior to joining Weiner Development in 2006, Stewart managed over 250,000 square feet of office buildings with Boxer Properties. Stewart received a BA from the University of Texas at Austin.

Karen Brohn

Karen Brohn serves as Controller of RockStep Capital. In this role, Brohn has overall responsibility for financial reporting activities for RockStep Capital and its affiliates, and assists with strategic planning and budgeting. Brohn has over 25 years of experience in the commercial real estate industry. Prior to joining RockStep Capital, Brohn handled accounting and finance activities within several global real estate companies. In her roles, she oversaw the accounting for equity-owned and third-party managed real estate and was involved in multiple real estate acquisitions, dispositions, and redevelopment projects. Brohn is a Certified Public Accountant and holds a Bachelor of Science degree in Business Administration from Louisiana State University and a Master of Science degree in Accounting from the University of Houston – Clear Lake. She is a member of the American Institute of Certified Public Accountants and the Texas Society of CPAs.

Dmitry Lyamichev

Dmitry Lyamichev is Managing Director of Acquisitions at RockStep Capital. He has over 15 years of hands-on private and public company investment experience in all asset classes with a primary focus on retail properties. In his role, Lyamichev is focused on sourcing and closing acquisitions and overseeing dispositions. Prior to joining RockStep Capital, Lyamichev was a Director of Investments at ShopCore Properties, a Blackstone company, where he transacted on over $2 billion of total asset value. His experience also includes investment positions at General Growth Properties and Green Courte Partners. Lyamichev attended the University of Wisconsin – Madison where he earned a double major in Finance and Real Estate.

The Manager's Role

The Operating Agreement gives the Manager broad authority to manage the Company and make all decisions with respect to the Company. Very few decisions with respect to the Company require the vote or written consent of the Members. The Manager also serves as the Partnership Representative of the Company for tax purposes (as that term is defined in the Operating Agreement).

The Manager controls and manages the Company's affairs and has responsibility and final authority in almost all matters affecting its business. These duties include dealings with Members; accounting, tax, and legal matters; communications and filings with regulatory agencies; and all other required management and operational duties for the Company, as detailed in the Operating Agreement. The authority of the Manager under the Operating Agreement includes, without limitation, the authority to:

- evaluate potential Assets, negotiate the terms of potential Assets and structure their terms, and select Assets for the Company;
- operate, manage (including, but not limited to, construction and property management), lease, sell, finance, trade, or otherwise dispose of Assets;
- borrow funds for any Company purpose and pledge security interests in Assets to secure such loans; and
- determine whether and when to make distributions to the Members.

The Manager evaluates prospective Assets for the Company. In that regard, the Manager evaluates opportunities, conducts underwriting and due diligence, and assembles financial models and analyzes prospective returns to the Company. The Company will not establish its own underwriting standards and will solely rely on the Manager to provide such services.

When evaluating a prospective Asset for the Company, the Manager may do one or more of the following as it deems appropriate at its sole discretion:

- perform a comprehensive property inspection,
- obtain an appraisal,

- conduct its own in-house appraisal,
- research local building and zoning codes as they apply to the property,
- complete a background and credit check,
- contract an expert to perform environmental assessments,
- review leases, tax statements, repair and maintenance bids, and historical financials,
- gather market rent and sales data,
- identify debt sources,
- build financial models to evaluate expected performance, and
- prepare and review budgets, economic surveys, cash flow and taxable income or loss projections, and working capital requirements.

In addition, for each Subsequent Closing the Manager shall select a qualified, independent appraiser to appraise the fair market value of any Assets acquired by the Company more than ninety (90) days prior to the Subsequent Closing for purposes of establishing the Unit Price for the Subsequent Closing.

Affiliated Business and Services

The Operating Agreement provides the Manager and its affiliates significant latitude to engage in other business activities, even if such business activities would compete with the interests of the Company or the Members or would limit the Manager's ability to manage the Company and the Assets.

In particular, and without limiting the foregoing, the Manager and its affiliates may carry on investment activities for their own accounts and for persons other than the Company or the Members, including any Other Funds, that may compete with the Company for investment opportunities.

There is no requirement that the Manager bring a particular investment opportunity to the Company before taking that opportunity for the Manager's own account, any Other Funds, or any other persons other than the Company or the Members.

Additionally, the Company may, in the Manager's sole discretion, (i) lend money to, take a security interest in, or otherwise invest in any Asset or entity that holds an Asset that is owned or invested in by any Other Fund, the Manager, or any affiliate of the Manager, (ii) guarantee the debt obligations of any entity that holds an Asset, (iii) purchase any Asset from any Other Fund, the Manager, or any affiliate of the Manager, (iv) co-invest in any Asset alongside any Other Fund, the Manager, or any affiliate of the Manager, (v) issue interests in any entity that holds an Asset in exchange for cash or in-kind contributions, services, or other types of consideration, (vi) sell any Asset to any Other Fund, the Manager, or any affiliate of the Manager, or (vii) give or refuse

to give affiliates, Members, and other persons, including any Other Funds, the opportunity to co-invest in Assets alongside the Company.

The Operating Agreement also gives the Manager significant latitude to enter into agreements and engage persons (including affiliates of the Manager) to provide services in connection with the Assets. For example, and without limiting the foregoing, the Manager may cause the Company to enter into property management, leasing, development, brokerage, loan placement, or other arrangements with affiliates with respect to the Assets so long as such arrangements are on terms and conditions that are customary for arm's-length transactions of the type in the applicable geographic market, as determined by the Manager.

Control by Manager, Removal of the Manager, and Changes in the Principal of the Manager

The Members have no right to participate in the management or control of the Company's business or affairs other than to exercise the limited voting rights provided for in the Operating Agreement. The Manager will cease to be the Company's Manager upon its removal, withdrawal, or dissolution, or if it is found to be bankrupt. The Members can only remove RockStep Management as the Manager for cause, and appoint a new manager, as provided in the Operating Agreement. The Manager is controlled by Andy Weiner, who also serves as the sole manager of the Manager. In the event Mr. Weiner is no longer serving as the manager of the Manager, whether as the result of his death or disability or any other reason, the Company shall pause all new investments in Assets and all closings of the Offerings unless and until a replacement for Mr. Weiner is identified and elected as the manager of the Manager in accordance with the Manager's limited liability company agreement. (See "SUMMARY OF THE OPERATING AGREEMENT.")

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MANAGER COMPENSATION AND FEES

Set forth below is a summary of the fees and other amounts payable to the Manager and its affiliates. The relationships between the Manager and its affiliates are described under the heading "CONFLICTS OF INTEREST." The following summary is qualified in its entirety by reference to the Company's Operating Agreement, a copy of which has been provided in connection with this Memorandum. The Company urges each prospective investor to carefully review the Operating Agreement in its entirety prior to making an investment decision. In the event of any contradiction between the summary below and the terms and conditions of the Operating Agreement, the terms and conditions of the Operating Agreement shall govern and control.

Management Fee

Commencing on the date of the Initial Closing and continuing until the date all Assets have been divested, the Company shall pay the Manager a Management Fee in the amount of one and a half percent (1.5%) per annum of all Capital Commitments, less (i) during the Investment Period, the aggregate amount of all Distributions of Available Proceeds constituting a return of Capital Contributions resulting from a sale of an Asset (but not a refinance of an Asset) and (ii) following the Investment Period, the amounts described in clause (i) above and the aggregate amount of all unfunded Capital Commitments as of the date of the expiration of the Investment Period. The Management Fee shall be calculated, prorated, and paid at the end of each calendar month, and carried forward on a cumulative, non-compounding basis until paid in full.

Carried Interest or Promote

An affiliate of RockStep Management shall be allocated and distributed a portion of the distributions that would otherwise be made to the Members after payment of their Preferred Return (for interim distributions) or after return of their Capital Contributions and payment of their Preferred Return (for distributions upon liquidation).

Acquisition Fees

In consideration for the Manager advising the Company with respect to the acquisition of Assets, upon the closing of the acquisition of any Asset the Company shall pay the Manager an Acquisition Fee in an amount that is the greater of (A) Two Hundred Thousand Dollars ($200,000) or (B) one and one-half percent (1.5%) of the total purchase price for the Asset being acquired.

Disposition Fees

In consideration for the Manager advising the Company with respect to the disposition of Assets, upon the closing of the disposition of any Asset or any portion of any Asset the Company shall pay the Manager a Disposition Fee in an amount that is the greater of (A) One Hundred Thousand Dollars ($100,000) or (B) three-fourths percent (0.75%) of the total sale price for the Asset or portion of the Asset being sold.

Property Manager Fees

The Manager intends for the Company to use RockStep Capital, RockStep Management, or such other affiliate as designated by RockStep Management to manage and lease the Assets as well as provide property management, construction management, project management, and related consulting and processing services (the "**Property Manager**"). In exchange for these services, the Company shall pay the Property Manager market-rate fees in the amount set forth below or as otherwise determined by the Manager from time to time.

Property Management

- Minimum of One Hundred Twenty Thousand Dollars ($120,000) per year per Asset
- Four percent (4%) of revenue for the first Ten Million Dollars ($10,000,000) in revenue
- Three and a half percent (3.5%) of revenue for the next Five Million Dollars ($5,000,000) in revenue above Ten Million Dollars ($10,000,000)
- Three percent (3%) of revenue for the next Five Million Dollars ($5,000,000) over Fifteen Million Dollars ($15,000,000) in revenue
- Two and a half percent (2.5%) of revenue for any revenue above Twenty Million Dollars ($20,000,000)

Construction Management

- Five percent (5%) of the total planning and construction costs including hard and soft costs.
- If the Property Manager acts as the general contractor, the construction management fee will be the greater of Seven Thousand Five Hundred Dollars ($7,500) per month per tenant or seven percent (7%) of the total planning and construction costs.

Project Management

- In connection with producing a budget for a prospective tenant, a fee of One Thousand Dollars ($1,000), which is increased by three percent (3%) per year.

Consulting Fees

- For leased space less than or equal to five thousand (5,000) square feet, the leasing fee will be the greater of Four Dollars ($4.00) per square foot or four percent (4%) of revenues for the initial term of the lease if the Company does not pay a fee to any broker representing the tenant, or Two Thousand Five Hundred dollars ($2,500). If a broker represents the tenant, and the Company pays a separate fee to such broker, the consulting fee shall be the greater of Three Dollars ($3.00) per square foot, three percent (3%) of revenues for the initial term of the lease, or Two Thousand Dollars ($2,000). For any lease renewals, the consulting fee shall be one-half of the amount set forth in the preceding sentence. The Company will pay third party broker fees, if any.
- For leased space greater than five thousand (5,000) square feet, the consulting fee shall be the greater of Three Dollars ($3.00) per square foot, or four percent (4%) of revenues for the initial term of the lease, if the Company does not pay a fee to any broker representing

the tenant. If a broker represents the tenant, the consulting fee shall be the greater of Two Dollars ($2.00) per square foot or three percent (3%) of the revenues for the initial term of the lease, and the Company shall pay a commission to the broker representing the tenant as negotiated with such broker. For any lease renewals, the consulting fee shall be one-half of the amount set forth in the preceding sentence. The Company will pay third party broker fees, if any.

- Notwithstanding the above, for any tenant or occupant with an original lease term or license term of one year or less, the consulting fee shall be the greater of Two Thousand Five Hundred Dollars ($2,500) or ten percent (10%) of the total projected revenues from the lease or license agreement. In addition, with respect to any lease for a month-to-month term, the consulting fee shall be equal to the first month's rent. The Company will pay third party broker fees, if any.
- For any new lease of space that provides for percentage-of-sale in lieu of base rent, the consulting fee shall be the greater of (i) Five Dollars ($5.00) per square foot or (ii) Twenty-Five Thousand Dollars ($25,000). For any renewal, expansion or extension of an existing lease space that provides for a percentage of sales-in-lieu of base rent, the consulting fee shall be one-half of the amount set forth in the preceding sentence. The Company will pay third party broker fees, if any.
- For ground leases, the Company shall pay to Manager four percent (4%) of the total rent for the first ten (10) years of the term and two percent (2%) for years 11-20 of the term. If a broker represents the tenant, then the Company shall pay the manager three percent (3%) of the total rent for the first ten (10) years of the term and one and one-half percent (1.5%) for years eleven (11) to twenty (20). Renewals shall be half of the above amounts. The Company will pay third party broker fees, if any.

Processing Fees

- In consideration for assisting with respect to the closing of any third-party financing of an Asset, a financing fee ranging from one-half percent (0.5%) to one percent (1.0%) of the loan amount.
- Two Thousand Five Hundred Dollars ($2,500) for each tenant requesting the landlord's consent for assignment or subletting.
- For providing assistance in zoning related cases such as special exceptions and re-zonings, a fee of Three Hundred Dollars ($300) per hour plus two percent (2%) of direct costs (hard and soft) incurred by the Property Manager in providing such assistance.
- For providing assistance with respect to tenant improvement or build-out projects, a fee of one percent (1%) of the direct costs (hard and soft) incurred by the Property Manager in providing such assistance.
- For onboarding or setting-up a new lease, a fee in the amount of at least Six Thousand Dollars ($6,000), plus Two Hundred Dollars ($200) for each additional lease after the first twenty (20) leases.

Interest on Deferred Fees

In the event the Property Manager elects to defer any fees owed to the Property Manager by the Company, the Property Manager has the right to charge the Company fifteen percent (15%) interest on the deferred fees.

Development Fees

In the event the Manager or an affiliate of the Manager provides any services with respect to development of an Asset, the Manager or such affiliate may receive market-rate Development Fees in consideration of such development services.

Guarantee Fees

The Manager, its affiliates, or its or their respective principals may be required to guarantee the obligations of the Company or any Asset in connection with any Loan and, in such event, the Company or the Asset may be required to pay a market-rate guarantee fee to the guarantors, which will typically be between three-fourths percent (0.75%) and one percent (1%) of the Loan amount.

Other Fees

If the Manager or any affiliate of the Manager performs any other services with respect to any Asset, the Company or applicable entity may pay fees to the Manager or such affiliate so long as they are competitive for similar services in the same geographic area, as determined by the Manager.

Reimbursement of Expenses

The Company shall pay or reimburse the Manager or its affiliate for any Company Expenses paid by the Manager or affiliate on behalf of the Company, including, without limitation, any fees, costs, or other expenses relating to pursuing a potential investment in an Asset, even if such Asset is not ultimately acquired by the Company, and any fees, costs, or other expenses relating to holding, operating, managing, refinancing, or disposing of any Assets.

Asset-Level

The Manager will endeavor to cause any fees related to a particular Asset to be paid at the Asset level, but to the extent they are not paid at the Asset level they shall be treated as Company Expenses payable or reimbursable by the Company.

CONFLICTS OF INTEREST

The Company is subject to various conflicts of interest arising out of its relationships with the Manager and affiliates of the Manager. No agreements or other arrangements, including those relating to compensation, between the Company and the Manager or its affiliates were the result of arm's-length negotiations. Some of the potential conflicts of interest relating to the Company's business include, without limitation, the following:

Terms Established by the Manager

The terms of the Company and the relationship between the Manager and the Members have been determined independently and arbitrarily by the Manager. As a result, there can be no assurance that these terms are as favorable to the Company and the Members as could be obtained from an unaffiliated party or as the result of arm's-length negotiations.

Fees and Other Compensation

The payment of the Management Fee (based on the total Capital Commitments of the Company) may incentive the Manager to accept subscriptions or utilize Capital Commitments so as to maximize the Management Fee payable to the Manager, which may adversely affect the Company's return and potential distributions to the Members.

The payment of the Acquisition Fees and Disposition Fees (based on the purchase price or sale price for the Asset being acquired or the Asset or portion of the Asset being sold) may incentivize the Manager to acquire or divest Assets so as to maximize the fees payable to the Manager, regardless of whether such transactions are appropriate, which may adversely affect the Company's return and potential distributions to the Members.

Additionally, where an affiliate of the Manager will be compensated from distributions of Available Proceeds the Manager may be motivated to operate the Company or the Assets in a manner to generate more net cash for distribution to itself, to sell the Assets earlier to generate Available Proceeds for distribution to itself, or to minimize expenses or reserves to the detriment of the Company and the interests of the Members.

The Manager may also be incentivized to cause the Company or entities that hold Assets to engage the Manager or affiliates to provide services in exchange for compensation, even where such services could be obtained from the third-parties at a lower cost, which may adversely affect the Company's return and potential distributions to the Members.

Affiliation with Others

The Manager and its affiliates engage in a broad spectrum of real estate and other investment activities that are independent from the Company. The Manager and its affiliates have formed and intend to form other entities in which they act or will act as general partners, managers, and contractors, some of which have or may have the same market and same investment objectives as the Company, and own or may own property similar to, and in competition with, the Company. There is no requirement that the Manager bring a particular investment opportunity to the

Company before taking that opportunity for the Manager's own account, any Other Funds, or any other persons other than the Company or the Members.

The Company may, in the Manager's sole discretion, (i) lend money to, take a security interest in, or otherwise invest in any Asset or entity that holds an Asset that is owned or invested in by any Other Fund, the Manager, or any affiliate of the Manager, (ii) guarantee the debt obligations of any entity that holds an Asset, (iii) purchase any Asset from any Other Fund, the Manager, or any affiliate of the Manager, (iv) co-invest in any Asset alongside any Other Fund, the Manager, or any affiliate of the Manager, (v) issue interests in any entity that holds an Asset in exchange for cash or in-kind contributions, services, or other types of consideration, (vi) sell any Asset to any Other Fund, the Manager, or any affiliate of the Manager, or (vii) give or refuse to give affiliates, Members, and other persons, including any Other Funds, the opportunity to co-invest in Assets alongside the Company. In such event the terms may not be the result of arm's-length negotiations because the Manager may be simultaneously acting on behalf of the Company and the other persons (including, without limitation, Other Funds, Members, or affiliates of the Manager). The Manager is not obligated to ensure that the terms of any Asset favor the interests of the Members or to have any Asset by the Company reviewed and approved by any disinterested persons.

By investing in the Company and signing the Operating Agreement, investors are acknowledging and waiving these conflicts of interest.

Management and Liability

The Manager and its affiliates believe that they have sufficient staff personnel to be fully capable of discharging their responsibilities to the Company and to any future entities which they may form. The Company will not have independent management, and will rely on the Manager for the operation of the Company. The Manager and its affiliates will devote only so much of their time to the business of the Company as in their judgment is reasonably required. The Manager and its affiliates have conflicts of interest in allocating management time, services, and functions between the Company and these other entities, as well as other business ventures in which the Manager or its affiliates may be involved. Liabilities incurred by the Manager in other ventures could adversely affect its ability to meet its obligations to the Company.

No Separate Representation

Documents relating to the Company, including the Subscription Agreement to be completed by each investor as well as the Operating Agreement, will be detailed and often technical in nature. The law firm engaged by the Manager in connection with the formation of the Company, the Offering, and the preparation of the Company's Offering documents (the "**Law Firm**") will represent the interests solely of the Manager, and will not represent the interests of any investor or Member. No independent counsel has been retained by the Manager or the Members to represent any Member, and the Law Firm disclaims any fiduciary or attorney-client relationship with the Members of the Company. Prospective investors should obtain the advice of their own counsel regarding legal matters. The Law Firm does not investigate or verify the accuracy and completeness of information set forth in this Memorandum concerning the Company, the Manager or any of their respective affiliates, personnel and prior performance. Although the Manager consults with the Law Firm from time to time, the Law Firm does not undertake to monitor

compliance by the Manager and its affiliates with the investment program and other investment guidelines and procedures, and compliance matters set forth in this Memorandum and the Operating Agreement, nor does the Law Firm monitor compliance by the Company, the Manager and/or their affiliates with applicable laws, unless in each case the Law Firm has been specifically retained to do so. In advising as to matters of law (including matters of law described in this Memorandum), the Law Firm has relied, and will rely, upon representations of fact made by the Manager and other persons in this Memorandum and other documents. Such advice may be materially inaccurate or incomplete if any such representations are themselves inaccurate or incomplete, and the Law Firm generally will not undertake independent investigation with regard to such representations.

Tax Matters

The Manager will act as "Partnership Representative" in accordance with applicable provisions of the Code and regulations promulgated thereunder pursuant to the terms of the Operating Agreement. Therefore, situations may arise in which the Manager may act on behalf of the Company in administrative and judicial proceedings involving the IRS or other enforcement authorities. Such proceedings may involve or affect other entities for which the Manager or its affiliates act as managers, general partners, or contractors. In such situations, the positions taken by the Manager may have differing effects on the Company and such other entities. Any decisions made by the Manager as the Partnership Representative of the Company will be made in good faith and in a manner the Manager reasonably believes to be in the best interests of the Company and its Members. However, due to differing interests of the Manager and other Members, the decision of the Manager in any audit of the Company by the IRS may be in conflict with the action or decision desired by one or more Members.

Allocation of Management Resources

Although the Manager has agreed under the terms of the Operating Agreement to devote time to the business and affairs of the Company and its Assets, the Manager will also continue to engage in other business activities, including, without limitation, the Other Funds, as discussed in more detail in this Memorandum. The Company will compete with the Other Funds and any other real estate entities managed by the Manager or its affiliates for the time and attention of the Manager. Accordingly, conflicts of interest may arise in the allocation of the Manager's resources between the Company and its other business activities.

Diverse Members

The Members may include persons or entities organized in various jurisdictions that may have conflicting investment, tax and other interests with respect to their investments in the Company. The conflicting interests of individual Members may relate to or arise from, among other things, the nature of an Asset, the structuring of the acquisition of an Asset and the timing of divestment of any Asset, and the fact that the Manager will also be a Member. The structuring of any investment in an Asset may result in different returns being realized by different Members. In structuring the Company's investments in Assets, the Manager will consider the investment and tax objectives of the Company as a whole, not the investment, tax or other objectives of any Member individually.

Limited Fiduciary Duties

Conflicts may arise between the interests of the Manager and those of the Members. Although the Manager is accountable to the Company as a fiduciary, the Operating Agreement grants the Manager broad discretion as to many matters and limits the Manager's fiduciary duties. By signing the Subscription Agreement and entering into the Operating Agreement, each investor acknowledges and consents to the exercise of such discretion, including when the Manager has a conflict of interest.

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RISK FACTORS AND INVESTMENT CONSIDERATIONS

The purchase of Units is speculative and involves a degree of risk. Investors will be required to represent that they are familiar with and understand the terms of the Offering, meet certain suitability requirements, and can afford a loss of their entire investment. In addition to the general investment risk described throughout this Memorandum, a prospective investor should carefully consider the risk factors set forth below. Nevertheless, investors should realize that factors other than those set forth below may ultimately affect their investment and that the following is just a summary of some, but not all, of the factors that may impact such investment.

RISKS RELATING TO THE COMPANY AND THE OFFERING

Limited Operating History

The Company was organized on May 6, 2024, and has not made any investments in any Assets as of the date of this Memorandum. The lack of operating history must be considered in light of the risks, expenses, and difficulties frequently encountered by new enterprises in their early stages, particularly real estate investment companies looking to perform in a highly competitive market. The lack of operating history makes the prediction of future results extremely difficult. There can be no assurance that the Company will not incur significant net losses in the future or that it will achieve sufficient revenues to sustain operations or operate profitably.

Best Efforts; Impact on Diversification

The Offering is being conducted on a "best efforts" basis by the Manager only. No guarantee can be given that all or any of the Units will be sold, or that sufficient proceeds will be available to conduct successful operations. The Company is not required to obtain a minimum amount of Capital Commitments before the Manager may hold the final closing of the Offering. Receipt of a relatively small amount of Capital Commitments may reduce the ability of the Company to spread investment risks through diversification of its portfolio of Assets. Unless and until the Company raises sufficient capital and makes a number of Assets, the Company will lack diversification.

Need for Additional Capital

There can be no assurance of the total amount the Company will raise from the Offering or that additional funds will not be required by the Company at any time in the future or that any funds that may be required will be available, if at all, on acceptable terms. Future capital requirements of the Company will depend upon revenues from Assets and the actual costs incurred in implementing the Company's investment strategy. If additional funds are required, the inability of the Company to raise such funds will have an adverse effect upon its operations. Any debt financing, if available, may involve financial covenants that limit the Company's operations. There can be no assurance that sufficient financings will be obtained on a timely basis and on terms favorable to the Company and the Members.

Dilution

A Member's economic rights are dependent on the relative amount and timing of the Member's Capital Contributions to the Company in comparison to the other Members' Capital Contributions to the Company. Although the Company is seeking to raise Fifty Million Dollars ($50,000,000) from the Offering, the Manager reserves the right to increase the size of the Offering in its sole discretion. Accordingly, a Member will likely suffer considerable dilution of its relative investment in the Company as additional Members invest in the Company, which dilution may or may not be based on a total raise of Fifty Million Dollars ($50,000,000).

No Guarantee of Profitability

The Manager anticipates that returns on the Assets will be sufficient to create net profits for the Company. However, there can be no assurance that the Company's income, less all expenses, will be sufficient for such purpose. Although the Manager believes each Asset will have economic viability and sufficiently positive returns, it cannot guarantee that the Assets will be profitable to the extent anticipated, if at all. Poor performance by any of the Assets could significantly and adversely affect the Company's total returns to Members.

In addition, the Manager anticipates that there will not be any Available Proceeds for distribution to the Members during the first thirty-six (36) months while the Company is acquiring Assets and spending additional capital to implement its strategy. Investors must be prepared to not receive any distributions from the Company for an extended period of time.

Finally, there is no guarantee that any distributions will be made on a regular basis, if at all. The Manager may choose not to make a distribution if it believes doing so is in the best interest of the Company.

No Guarantee of Tax Distributions

The Operating Agreement does not require the Manager to ensure the Company makes distributions to the Members on an annual basis that allow the Members to pay their federal, state, and local tax obligations arising from their Units. Instead, the Operating Agreement provides that any Available Proceeds will be distributed as, if, and when determined by the Manager. There is no guarantee that Members will receive sufficient distributions to pay the income tax obligations arising from their share of the profits of the Company allocated to them for income tax purposes.

No Guaranteed Return of Investor's Capital Contributions

Investment in the Company is speculative and involves a degree of risk. There can be no guarantee that an investor will realize a substantial return on its investment, or any return at all, or that the investor will not lose its entire investment. Each prospective investor should read this Memorandum carefully and should consult with the prospective investor's legal counsel, accountants, or business advisors prior to making any investment decision.

Risks with Subscription Process

Investors are encouraged to make Capital Deposits with the Company in the full amount of their Capital Commitments at the time of submitting their Subscription Agreements. Although the Manager is required to return these Capital Deposits to the Members, if the Manager does not accept their Subscription Agreements, or to hold these Capital Deposits in escrow for the benefit of the Members and use these Capital Deposits to satisfy the Members' obligations to make Capital Contributions or other payments to the Company as set forth in the Operating Agreement, if the Manager does accept their Subscription Agreements, paying Capital Contributions in advance of when they are due always imposes additional risks. For example, the Manager could fail to use the Capital Deposits as agreed in the Operating Agreement, whether voluntarily or as required by applicable law. Additionally, while the Capital Deposits are being held in escrow by the Company for the benefit of the Members, the Capital Deposits are not earning any interest or other income (and any interest earned thereon is actually paid to the Manager), and the Members may miss other opportunities to utilize the funds that are allocated to the Capital Deposits in a manner so as to generate a higher rate of return.

Borrowing by the Company Could Increase the Risk of Losses or Lead to Other Negative Effects

As described in this Memorandum, the Company may choose from time to time to borrow funds pursuant to debt financing backed by security interests in the Assets. Although the purpose of leverage is to provide flexibility and additional liquidity options for the Company, reduce required Member equity, and potentially increase the overall Member return, its use is inherently risky and can instead increase the risk of loss.

The interest rates at which the Company is able to borrow funds will affect the Company's operating results. While the use of borrowed funds will increase returns if the Company earns a greater return on the incremental Assets purchased with borrowed funds than it pays for the funds, the use of leverage will decrease returns if the Company fails to earn as much on such incremental Assets as it pays for the funds. The effect of leverage may therefore result in a greater decrease in the net asset value of the Asset than if the Asset was not so leveraged. The use of leverage has the potential to magnify the gains or the losses on the Company's Assets and to make the Company's returns more volatile.

The Company may be unable to meet its obligations or debt covenants to a lender, whether as the result of poorer than expected performance or other reasons. In some cases, the Manager may have no control over the circumstances giving rise to a default, such as the primary tenant in an Asset becoming bankrupt or failing to renew a lease or renewing a lease on unfavorable terms (which may be driven by market forces outside of the Manager's control). If the Company guaranteed defaulted debt or the debt is at the Company level or cross-collateralized with other Assets, a more significant portion of the Company could be adversely affected. In addition, increased use of leverage may result in less flexibility as a result of the debt covenants. If a default occurs, the Company may be liable for increased payments and penalties to the lender. Although any debt financing will be nonrecourse to the Members, the lender may foreclose on any Company assets in which it holds a security interest. As such, the Company's inability to perform under a debt

financing could have significant negative effects on the Company, its assets, and ultimately the Members.

The Company could be in a position where it must borrow funds in order to cover its operating expenses, overhead, or committed investments. In any of these events, it is uncertain whether debt financing will be available to the Company on desirable terms, or at all. If the Company is unable to secure debt financing in these circumstances, the Company could end up in default of its obligations to third parties and incur significant penalties and other negative consequences. If the Company is able to secure debt financing in these circumstances, the Company could be highly leveraged and would be subject to all the risks associated with borrowing.

Risks of Debt Being Unavailable, Called, or Terminated

The Company has not yet obtained any debt financing, and its ability to do so is not certain. Even if the Company is able to obtain debt financing, that debt financing could later be called or terminated for a variety of possible reasons. The lender may get bought out, may cease such a business unit altogether, or may claim an event of default under the terms of the debt financing. In such an event, the Company may need to replace a substantial amount of money or the lender may collect all incoming cash and not allow for any distributions to Members until the default is cured or the debt is paid off.

Governmental Regulation Could Be Costly and Restrictive

The industry in which the Company will become an active participant may be highly regulated at both state and federal levels, with respect to both its activities as an issuer of securities and its investing activities. The Company or its Assets may be subject to governmental regulations in addition to those discussed in this Memorandum, including, but not limited to, those promulgated under the Foreign Corrupt Practices Act, environmental laws, the Environmental Protection Agency, trademark laws, tax laws, the IRS, the Federal Emergency Management Agency, and various state Departments of Environmental Quality. New regulations or regulatory agencies may develop that affect the Company's operations and ability to generate revenue. The Company will attempt to comply with all applicable regulations affecting the Company or Assets in which it invests, and the markets in which it operates. However, such regulation may become overly burdensome and therefore may have a negative effect on the Company's ability to perform as illustrated.

Lack of Contractual Limitations on Assets

The Manager has significant discretion to determine which Assets the Company will acquire, and the Operating Agreement does not contain any unequivocal limitations on this discretion or the Company's investment strategy. The Manager may choose to invest in Assets for reasons that do not align with a particular investor's interests, including in Assets owned or invested in by affiliates of the Manager or Other Funds. Investors must be willing to entrust the Manager with all investment decisions. Any lack of diversification in the Company's Asset portfolio could adversely affect the value of the Assets held by the Company, the ability of the Company to achieve its goals, or the overall return to the Members.

Dependence on Manager and its Principal

The Company's success will depend in large measure upon the judgment and ability of the Manager, which in turn relies on the performance of its sole manager, Andy Weiner. The Manager will have exclusive authority to manage the Company's business and affairs and choose its Assets. Investors will have, as Members, no right to manage or control the Company's daily activities. The Members can only remove the Manager for cause, and appoint a new manager, as provided in the Operating Agreement. In the event Mr. Weiner is no longer serving as the manager of the Manager, whether as the result of his death or disability or any other reason, the Company shall pause all new investments in Assets and all closings of the Offerings unless and until a replacement for Mr. Weiner is identified and elected as the manager of the Manager in accordance with the Manager's limited liability company agreement. Accordingly, an investor should not purchase Units unless the investor is willing to entrust all aspects of the management of the Company to the Manager and Mr. Weiner.

Uncertain Valuation

The Manager evaluates prospective Assets for the Company. In that regard, the Manager evaluates opportunities, conducts underwriting and due diligence, and assembles financial models and analyzes prospective returns to the Company. The Company will not establish its own underwriting standards and will solely rely on the Manager to provide such services. While the Manager has conducted or will conduct due diligence which it believes to be adequate on the Assets it has and may acquire, there can be no assurance that the Manager's due diligence is complete or its assessments are accurate, or that the Manager's real property values are accurate, or that the values of the Assets will not decline in the future.

Uncertain Number of Assets

The number of Assets the Company acquires will depend upon the amount of equity raised through the Offering, the Manager's ability to locate acceptable Assets, the amount of leverage available for a particular Asset, the relative size of the Company's Assets, competition for available Assets, the satisfaction of acquisition closing conditions, the amount of funds reinvested, the availability of adequate financing and other factors. In addition, the Manager may determine that it can obtain more advantageous financing or investment terms by increasing the amount of equity used in the initial acquisition of an Asset. This may result in a substantial portion of the Offering proceeds being deployed in purchasing a smaller number of Assets. The Manager's investment strategy may, accordingly, not be as diversified as the Company would like. Further, the Assets may not be geographically diversified or diversified as to the type of property.

While the Manager believes Assets will be available with the returns it is expecting, there is no assurance that sufficient Assets with targeted returns will be available, due to competition for Assets or other factors.

Conflicts of Interest

The Company is subject to various conflicts of interest arising out of its relationships with the Manager, the Other Funds, and affiliates of the Manager. No agreements or other arrangements,

including those relating to compensation and Assets, whether between the Company and the Manager, among the Company and Other Funds, or with other affiliates, were or will be the result of arm's-length negotiations. These conflicts may adversely affect Members where their interests are diverse and may be disparate from the interests of the Company, the Manager, Other Funds, or affiliates of the Manager. While the Manager could always choose to utilize an advisory board, the Operating Agreement does not require the Manager to form an advisory board, whether to advise the Manager on transactions that may constitute a conflict of interest or otherwise. (See "CONFLICTS OF INTEREST.")

Limited Transferability

The Operating Agreement contains very strict restrictions on the transfer of Units. Units may not be transferred except upon the approval of the Manager. No transferee of any Units can become a Member without establishing that certain events and conditions are satisfied or have occurred, as detailed in the Operating Agreement. Consequently, it is not anticipated that a public market will develop for the purchase and sale of the Units; therefore, Members may not be able to readily liquidate their investment. Also, the Operating Agreement prohibits a Member from using the Member's Units as collateral for a loan and, in any event, the Units may not be readily accepted as collateral for a loan. Transferability of the Units is further limited because the Units have not been registered under applicable federal or state securities laws. INVESTORS WHO DO NOT WISH TO REMAIN MEMBERS FOR THE ENTIRE DURATION OF THE COMPANY ARE ADVISED AGAINST INVESTMENT.

Loss on Dissolution

In the event of a dissolution of the Company, the proceeds realized from the liquidation of the Company's assets, if any, will be distributed to the Members, but only after the satisfaction of claims of creditors. Accordingly, the ability of a Member to recover all or any portion of the Member's investment under such circumstances will depend on the amount of funds so realized and claims to be satisfied therefrom.

Uninsured Losses

The Company has arranged or will arrange for insurance coverage for the Assets, which is customary for investments of each particular type. However, there are certain types of losses (generally acts of God of an unusual or catastrophic nature) which may be uninsurable or may not be economically feasible to insure. Should an uninsured casualty occur, the Members could suffer a loss of the capital invested in the Company as well as anticipated profits and other benefits flowing from such Member's Units.

Financial Forecasts and Assumptions

Financial forecasts, if any, provided by the Manager ("**Financial Forecasts**") are for illustrative purposes only and must not be relied upon by any investor. Financial Forecasts reflect estimates of future operating results developed by the Manager without independent evaluation or analysis, based upon assumptions that may or may not occur and over which the Company will have little or no control, certain of which assumptions are set forth in the notes to the Financial Forecasts. To the extent the assumptions are incomplete or inaccurate, any benefits to the Members may be

adversely affected. There can be no assurance that actual events will correspond with these assumptions. Actual results for any period may or may not conform to Financial Forecasts.

Development and Construction Risks

The Company will be subject to the risks normally associated with real estate development activities. 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 or the Manager, such as weather or labor conditions or material shortages), and the availability of both construction and permanent financing on favorable terms.

COVID-19 and Similar Pandemics or Emergencies

The world recently experienced an outbreak of a novel and highly contagious form of coronavirus ("**COVID-19**"), which the World Health Organization declared to constitute a "Public Health Emergency of International Concern." The outbreak of COVID-19 resulted in numerous deaths, adversely impacted global and regional commercial activity, and contributed to significant volatility in the debt or equity investment, real estate development, and construction markets.

The potential impacts of COVID-19, as well as the potential impacts of any other public health emergencies, including SARS, H1N1/09 flu, avian flu, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat thereof, could have significant adverse effects on the Company, any of its Assets or entities that hold Assets, and the Company's ability to fulfill its investment objectives. The extent of such effects will depend on many factors, including the duration and scope of COVID-19 or such other public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of COVID-19 or such other public health emergency on overall supply and demand, goods and services, employment, access to capital, investor liquidity, consumer confidence and spending levels, and levels of economic activity, and the extent of the disruption to important global, regional, and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. Such effects may materially and adversely impact the development of the Assets by, for example, delaying or terminating construction, delaying or interrupting shipments of goods, making it more difficult to obtain necessary labor and supplies, or causing permitting delays or other issues, or the leasing of the Assets, which in turn would adversely affect the value and performance of the Assets or the entities holding Assets, the Company's ability to source, manage, and divest Assets, and the Company's ability to achieve its investment objectives, all of which could result in significant losses to the Company. In addition, the operations of the Company, the Manager, or any of the holding Assets may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to COVID-19 or such other public health emergency, including its potential adverse effect on the health of the personnel of any such entity or the personnel of any such entity's key service providers.

Asset Timing Considerations and Valuation Risks

The percentage ownership interests of the Members are based on their respective Units, which in turn is based on their respective Capital Contributions (and not on their respective Capital Commitments). The Company may call for or accept Capital Contributions at any time and any proportion, so long as the calls are made pro rata among the Members according to their respective Capital Commitments. Although the Manager will use reasonable efforts to equalize the portion of each Member's Capital Commitment that the Member has contributed by the end of the Investment Period, it is possible that some Members will ultimately contribute a greater or lesser portion of their Capital Commitments than others during the Investment Period or the term of the Company.

Members may make or be required to make Capital Contributions well after the Company acquired and developed Assets, but the Manager is not required to re-value the Assets so as to adjust the Members' bases in the Assets to reflect the relative differences between the Members that contributed capital at the time the Assets were originally acquired by the Company and the Members that contributed capital much later.

The Unit Price paid by Members in exchange for their Capital Contributions is based on the total fair market value of the Assets at the time Members make their Capital Commitments to the Company, with Assets acquired by the Company within ninety (90) days prior to such date valued at their acquisition cost and Assets acquired by the Company more than ninety (90) days prior to such date being appraised by a qualified, independent appraiser selected by the Manager. It is anticipated that the Assets will appreciate in value after they are acquired by the Company. Accordingly, investors that make Capital Contributions later than other investors will pay a higher Unit Price and, thus, their Capital Contributions will acquire a smaller portion of the Ownership Interests of the Company.

No Minimum Amount Must be Raised before the Final Closing

Although the Manager will not conduct the Initial Closing until it has received subscriptions for Capital Commitments in an aggregate amount of Two Million Dollars ($2,000,000), there is no minimum amount of aggregate Capital Commitments the Company must receive before the Manager determines to conduct the final closing of the Offering. There is no guarantee how much capital the Company will raise in the Offering. There is the risk that the Manager will not receive sufficient subscriptions to conduct the Initial Closing and will be forced to return the investors' Capital Deposits without penalty or interest. There is the risk that proceeds from subscriptions that are received over time may be used for administrative purposes and less would be available to develop Assets. The Manager may conduct multiple closings of the Offering and accept subscriptions from investors at any time prior to the termination of the Offering.

Possibility of Losing Registration Exemption

The Company has not caused the Units to be registered with the Securities and Exchange Commission under the Securities Act, but is offering the Units for sale pursuant to an exemption available under Section 4(a)(2) of the Securities Act and Rule 506(c) of Regulation D promulgated by the Securities and Exchange Commission thereunder. There are a number of technical

requirements that must be satisfied for an issuer to rely upon Regulation D, including, among others, that the securities be sold only to accredited investors. There is, however, the possibility that the Company may not satisfy all of the technical requirements of Regulation D, thereby losing its right to rely upon the safe harbor contained in that regulation, or that the Company may conduct the Offering in a way that does not otherwise qualify for the private placement exemption in Section 4(a)(2). Were the Company to offer the Units in a way not exempt from the registration requirements under the Securities Act or similar exemptions under applicable state securities laws, investors may have claims against the Company for a total refund of their subscriptions, together with interest at statutory rates, and claims for attorneys' fees. Such claims, if brought, would be disruptive and could force a sale of the Company's assets to satisfy the economic demands of the claimants.

Risk of Litigation

The Company's investment activities may include activities that will subject it to the risks of becoming involved in litigation by third parties. The expense of defending claims against the Company by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Company and would reduce net assets and could require the Members to return distributed capital and earnings to the Company. The Manager and its affiliates will be indemnified by the Company in connection with such litigation, subject to certain conditions. Litigation involving any of the Assets may delay the completion of construction and development and will increase the cost of developing the Assets.

Recourse to the Company's Assets

The Company's assets, including any Asset, may be required to be available to satisfy all liabilities and other obligations of the Company in certain circumstances. Although the Company may seek to structure Assets through entities having limited liability, there can be no assurance that such efforts will always be successful or respected. If the Company or one or more of its Assets become subject to a liability, parties seeking to have the liability satisfied may have recourse to the Company's assets generally and not be limited to any particular asset of the Company, such as the asset representing the investment giving rise to the liability.

RISKS RELATING TO REAL ESTATE INVESTMENTS

Real Estate Risks – In General

General real estate risks include the uncertainty of cash flow to meet fixed obligations; adverse changes in national economic conditions; decline in the popularity of real estate as an investment; adverse local market conditions due to changes in general or local economic conditions or neighborhood values; changes in interest rates and the resulting impact on the real estate business; availability and terms of mortgage funds; the financial condition of tenants and the borrowers of loans; property owners' ability to attract and retain tenants; changes in real estate tax rates and other operating expenses; changes in laws, governmental rules and fiscal policies, including land use regulations; the risk of condemnation by governmental bodies; damage due to acts of God; uninsured losses; and other factors which are beyond the control of the Company.

Environmental Risks

Real property is subject to federal, state, and local laws, regulations and ordinances that (i) govern activities or operations that may have adverse environmental effects, such as discharges to air and water, as well as handling and disposal practices for solid and hazardous wastes, and (ii) impose liability for the costs of cleaning up, and certain damages resulting from, sites of past spills, disposal, or other releases of hazardous substances. The Company may be exposed to damage claims if any hazardous materials, substances or waste, such as petroleum products, were or will be discharged on any of the Assets. In such event, the Company may be exposed to liability for the cost of cleaning up such discharge, or other remediation costs, or if hazardous substances were to migrate to adjoining real property, the Company may be exposed to damages for the cleanup or remediation.

Concentration and Geographical Risks

The Company intends to primarily focus its investment efforts on retail shopping centers throughout the United States, where the Manager has the most experience. The Company may acquire Assets that are sourced or held by the Manager, its affiliates, or Other Funds. If the Manager or retail shopping industry suffers a particular economic adversity compared to other real estate developers or other real estate industries, the value of the Assets may suffer a disproportionate negative effect.

On the other hand, if the Company acquires Assets from unaffiliated persons or in industries where the Manager has less experience, the Company runs a risk of experiencing underwriting challenges or issues associated with a lack of familiarity with the sponsor or market. Each sponsor and market have nuances and idiosyncrasies that affect values, marketability, desirability, and demand and that may not be easily understood from afar. While the Manager believes it can effectively mitigate these risks in a myriad of ways, there is no guarantee that Assets with unaffiliated persons or industries outside the Manager's expertise will perform as expected.

The Operating Agreement does not require the Company to diversify its Assets or invest in a minimum number of Assets. The Company may be adversely affected by concentrating its Assets.

Insurance Risks

The current state of insurance markets for real estate, and potential changes in such markets in the future, present additional risks for the Company. While the Company will endeavor to maintain adequate insurance coverage for its investment in Assets, market conditions may make it difficult or impossible for the Company to obtain competitively priced insurance. The Company may also have to accept higher deductibles than it would prefer in order to obtain insurance. To guard against the risk of its investments in Assets being under insured, the Company may have to use a portion of its working capital to fund casualty reserves.

Undiscovered Liabilities

The Manager intends for the Company to acquire Assets through privately negotiated transactions where some protection can be afforded by covenants and due diligence. However, there can be no guarantee that any Asset acquired by the Company does not carry with it a significant undisclosed liability that could have a material adverse effect on the value of the Asset.

Risks of Real Estate Ownership

When the Company acquires an Asset, the Company has economic and liability risks as the owner, including, but not limited to:

- Earning less income on divestment of the Asset than costs incurred in purchasing, improving, and maintaining the Asset;
- Potential damage to the Asset;
- Lack of availability or lapse in insurance coverage for the Asset;
- Controlling operating expenses;
- Coping with general and local market conditions;
- Possible exposure to environmental contamination remediation and cleanup costs, which in some cases could exceed the value of the Asset;
- Complying with changes in the laws and regulations pertaining to taxes, use, zoning, and environmental protection; and
- Possible liability for injury to persons and Asset.

Although the Manager intends to cause the Company to secure insurance against hazards and contingencies, such insurance may be unavailable or only available at an unreasonable cost.

Participation in Entities with Others

The Company generally intends to own Assets through special purpose entities that are managed and wholly-owned by the Company. Nevertheless, it is possible that the Company will make an investment in an Asset alongside other investors, and the Manager may offer other persons (including, without limitation, Other Funds, Members, or affiliates of the Manager) co-investment opportunities. Although the Manager may be engaged by each entity that holds an Asset to manage the entity and the Asset, the co-investors or their designees may have some control or influence over the Asset, and the Manager may be limited in what actions it may unilaterally take with respect to the Asset without the approval or consent of the co-investors. Because such co-investors may be important local community members, they may also have material influence on local factors affecting the Asset.

The co-investment structure creates additional risks to each Asset, including, but not limited to, the following:

- The co-investors may have different ideas, motivations, or desired outcomes than the Company, which may give rise to disputes in how to manage an Asset;
- The co-investors may have control over whether the entity (and therefore Members

of the Company) must make capital expenditures on Asset;

- The co-investors may be able to control the timing of the divestment of the Asset, which may be different than the timing that is optimal for the Company or optimal for the maximum value of the Asset;
- There may be complications in divesting of an Asset that require additional time, money, and cooperation from the co-investors, which the co-investors may not be willing to give; and
- The co-investors may default on financial or other obligations with respect to their interests in the Asset, which may have an adverse impact to the Company.

An entity that holds an Asset may grant other persons (including, without limitation, Other Funds, Members, or affiliates of the Manager) interests in the entity in exchange for cash or in-kind contributions, services, or other types of consideration. In such event the terms may not be the result of arm's-length negotiations because the Manager may be simultaneously acting on behalf of the Company and the other persons (including, without limitation, Other Funds, Members, or affiliates of the Manager). The Manager is not obligated to ensure that the terms of any Asset favor the interests of the Members or to have any Asset by the Company reviewed and approved by any disinterested persons.

The Company's Assets Are Illiquid in Nature

Although some of the Company's Assets may generate current income, the Company's Assets will primarily be illiquid and not readily sold for fair value. The illiquidity commonly associated with real estate may limit the Company's ability to vary its portfolio of Assets in response to changes in economic and other conditions. Illiquidity may result from the absence of an established market for Assets as well as the legal or contractual restrictions on their resale. In addition, illiquidity may result from the decline in value of an Asset. There can be no assurances that the fair market value of any Asset will not decrease in the future, leaving the Company's investment relatively illiquid.

Furthermore, although the Manager expects that the Company's Assets will be disposed of prior to the Company's dissolution, the Company may have to sell, distribute, or otherwise dispose of its Assets at a disadvantageous time as a result of the Company's dissolution.

Economic and Competitive Risks Associated with Real Estate

The Units represent a long-term indirect equity investment in real estate. There can be no assurance that there will be a stable market for the Assets given national and regional economic conditions. Such Assets are considered to be speculative in nature and to involve a degree of risk.

The Company will be subject to the risks inherent in the construction, rehabilitation, leasing, marketing and sales of income-producing properties, such as, but not limited to, fluctuations in interest rates, market absorption rates, commercial market prices, insurance premiums, commercial rental rates, occupancy rates, and operating expenses; variations in rental schedules; energy shortages and allocations; competition from existing or new competitors, which in turn may be adversely affected by general and local economic conditions; the supply of and demand for real estate similar to the Asset acquired by the Company; zoning laws and other governmental restrictions and changes thereto; liabilities arising from environmental matters; costs of raw

materials and labor; work stoppages and strikes; weather; quality and financial stability of contractors, suppliers and subcontractors; and real property tax rates and assessments.

The Company will also be subject to the risks inherent in the retail shopping real estate industry, such as fluctuations in supply and demand, market values, rent, growth, and absorption rates; the availability of credit and its implications for the national and regional economy; energy price fluctuations; currency fluctuations and the value of the dollar; adverse use of neighboring properties; competition from existing or new developments, which in turn may be adversely affected by general and local economic conditions; zoning laws and other governmental restrictions; and real property tax rates and assessments. Real estate markets have recovered both nationally and locally. In particular, the retail shopping real estate industry has generally experienced increases in value. Prospective investors should consider that, in response to the increase in demand, additional supply of commercial real estate has been developed, potentially resulting in an oversupply in inventory in coming years, thereby potentially reducing the value of the Assets.

Competition for Suitable Asset Opportunities

The Company may be unable to find a sufficient number of attractive opportunities to meet its investment objectives or achieve the intended investment returns. The success of the Company will depend on the ability of the Manager to identify suitable Assets, to negotiate and arrange the closing of appropriate transactions, to manage the development of Assets, and to arrange the timely divestment of a sufficient number of suitable Assets. The business of identifying, structuring, and realizing real estate transactions is highly competitive and has become more so in recent months due to increased flows of capital into real estate funds and similar investment organizations. The Company will face a broad spectrum of competitors, many of which have substantially greater financial resources, more personnel, and a greater willingness to take on risk, and are more well-known than the Company. The volume of attractive opportunities varies greatly from period to period. Increased competition for, or a diminishment in the available supply of, qualifying transactions could result in lower returns on such Assets, which could reduce returns to investors. Such competition may have the effect of increasing the costs of Assets, including costs incurred in connection with Assets not made, and may extend the period within which the Company is seeking Assets, thereby reducing the returns to the Company. There can be no assurance that the Company will be able to locate suitable Asset opportunities, acquire them for an appropriate level of consideration, or fully invest its Capital Commitments.

OTHER RISKS

U.S. Securities Laws

The offer and sale of the Units will not be registered under the Securities Act or the laws of any applicable state, pursuant to an exemption from the registration requirements of the Securities Act and the securities laws of certain states. Each investor must furnish certain information to the Manager and represent, among other customary private placement representations, that it is acquiring Units for investment purposes and not with a view towards resale or distribution. The acquisition of Units by each investor also must be lawful under applicable state securities laws.

The Units have not been, and will not be, registered under the Securities Act. Accordingly, the United States securities laws impose certain restrictions upon the ability of a Member to transfer such Units. The Units may not be offered, sold, transferred, or delivered, directly or indirectly, unless (i) they are registered under the Securities Act and any applicable state securities laws, or (ii) an exemption from registration under the Securities Act and any applicable state securities laws is available. Moreover, there will be no liquid, public market for the Units, and none is expected to develop.

Further, Units may not be offered, sold, transferred, assigned or delivered, directly or indirectly, to any "Unacceptable Investor." An Unacceptable Investor means any person who is known to be a:

(a) person or entity who is a "designated national," "specially designated national," "specially designated terrorist," "specially designated global terrorist," "foreign terrorist organization," or "blocked person" within the definitions set forth in the Foreign Assets Control Regulations of the United States Treasury Department, 31 C.F.R. Subtitle B, Chapter V, as amended;

(b) person acting on behalf of, or an entity owned or controlled by, any government against whom the United States maintains economic sanctions or embargoes under the Regulations of the United States Treasury Department, 31 C.F.R. Subtitle B, Chapter V, as amended, including but not limited to the "Government of Sudan," the "Government of Iran," the "Government of Cuba," the "Government of Syria," and the "Government of Burma"; or

(c) person or entity subject to additional restrictions imposed by the following statutes, or regulations and Executive Orders issued thereunder: the Trading with the Enemy Act, 12 U.S.C. §§ 95a–95b and 50 U.S.C. App. §§ 1–44; the Iraq Sanctions Act, Pub. L. 101-513, Title V, §§ 586 to 586J, 104 Stat. 2047; the National Emergencies Act, 50 U.S.C. § 1601 et seq.; the Antiterrorism and Effective Death Penalty Act of 1996, Pub. L. 104-132, 110 Stat. 1214, 1319; the International Emergency Economic Powers Act, 50 U.S.C. § 1701 et seq.; the United Nations Participation Act, 22 U.S.C. § 287c; the International Security and Development Cooperation Act, 22 U.S.C. § 2349aa-9; the Nuclear Proliferation Prevention Act of 1994, Pub. L. 103-236, 108 Stat. 507; the Foreign Narcotics Kingpin Designation Act, 21 U.S.C. § 1901 et seq.; the Iran and Libya Sanctions Act of 1996, Pub. L. 104-172, 110 Stat. 1541; the Cuban Democracy Act, 22 U.S.C. § 6001 et seq.; the Cuban Liberty and Democratic Solidarity Act, 22 U.S.C. §§ 6021-91; the Foreign Operations, Export Financing and Related Programs Appropriations Act of 1997, Pub. L. 104-208, 110 Stat. 3009; or any other law of similar import as to any non-U.S. country, as each such act or law has been or may be amended, adjusted, modified, or reviewed from time to time.

In the event of a registered public offering of the Units in the U.S., the Company would become subject to the reporting obligations under the Securities Exchange Act of 1934, as amended (the

"**Exchange Act**"). Under such circumstances, a Member that owns more than 5% of the Company's outstanding Units may be obligated to make certain information filings with the Securities and Exchange Commission pursuant to the Exchange Act. Each prospective investor considering an investment in the Units is advised to consult with its own legal advisor regarding the securities law consequences of ownership of Units if the Units become subject to the Exchange Act.

Compliance with Anti-Money Laundering Requirements

The Company may be subject to certain provisions of the USA PATRIOT Act of 2001 (the "**Patriot Act**"), including, but not limited to, Title III thereof, the International Money Laundering and Abatement and Anti-Terrorist Financing Act of 2001 ("**Title III**"); certain regulatory and legal requirements imposed or enforced by the Office of Foreign Assets Control ("**OFAC**"); and other similar laws of the United States. In response to increased regulatory concerns with respect to the sources of the Company's capital used in Assets and other activities, the Manager may request that investors provide additional documentation verifying, among other things, such investor's identity and source of funds to be used to purchase Units. The Manager may decline to accept a subscription from an investor if this information is not provided or on the basis of the information that is provided. Requests for documentation and additional information may be made at any time during which a Member holds Units. The Manager may be required to report this information, or report the failure to comply with such requests for information, to appropriate governmental authorities, in certain circumstances without informing a Member that such information has been reported. The Manager will take such steps as it determines are necessary to comply with applicable law, regulations, orders, directives, or special measures, including, but not limited to, those imposed or enforced by OFAC, the Patriot Act, and Title III. Governmental authorities are continuing to consider appropriate measures to implement anti-money laundering laws, and at this point it is unclear what steps the Manager may be required to take; however, these steps may include prohibiting a Member from making further Capital Contributions to the Company, depositing distributions to which such Member would otherwise be entitled into an escrow account, or causing the withdrawal of such Member from the Company.

Absence of Regulatory Oversight

The Company will not be subject to the provisions of the Investment Company Act of 1940 (the "**Company Act**") because the Company expects to only own, directly or indirectly, real property and not securities. Even if the Company Act is applicable to the Company, the Company will be exempt from regulation under the Company Act by Section 3(c)(1) of the Company Act, which exempts issuers whose outstanding securities are beneficially owned by not more than 99 beneficial owners, and/or by Section 3(c)(5)(C) of the Company Act, which exempts issuers whose assets consist primarily of real estate interests. With respect to the determination of beneficial ownership and accredited investor status and other qualifications of purchasers of Units the Company deems appropriate, the Company will obtain appropriate representations and undertakings from purchasers in order to ensure that such purchasers meet the conditions of the exemption on an ongoing basis. Accordingly, Members will not be afforded the protections offered by the Company Act.

The Manager will not be registered as an investment adviser under the Investment Advisers Act of 1940 (the "**Advisers Act**") because the Manager is providing advice to the Company with respect to the purchase or sale of real property and real estate interests, and not securities. By virtue of being exempt from registration, the Manager will not be subject to the performance fee restrictions and other provisions contained in the Advisers Act. The Manager is not a Securities and Exchange Commission or state-registered investment adviser, and the Company will not be an investment advisory client of the Manager. Accordingly, neither the Company nor any of the Members will be afforded the protections of the Advisers Act.

Compliance with New Regulations

The U.S., state, and foreign governments have taken or are considering extraordinary actions in an attempt to address real or perceived underlying causes of financial crisis and fraud and to prevent or mitigate the recurrence. It is unforeseeable whether there will be additional proposed laws or reforms that would affect the U.S. financial system, financial institutions, or the real estate industry, including the Company; whether or when such changes may be adopted; how such changes may be interpreted and enforced; or how such changes may affect the Company.

Other laws, regulations, and programs at the federal, state, and local levels that are under consideration seek to address the economic climate and real estate and other markets and to impose new regulations on various participants in the financial system. It is unforeseeable the effect that these or other actions will have on the Company's business, results of operations and financial condition. Further, the failure of these or other actions and the financial stability plan to stabilize the economy could harm the Company's business, results of operations, and financial condition.

Certain Considerations for Employee Benefit Plans and Individual Retirement Plans

The following discussion is a summary of certain considerations associated with an investment in the Units by an "employee benefit plan" that is subject to Part 4 of Title I of the Employee Retirement Asset Security Act of 1974, as amended ("**ERISA**") (such as a pension, profit-sharing or other plan that is qualified under Section 401(a) of the Code), or by a "plan" that is subject to Section 4975 of the Code (such as a qualified tax-deferred annuity plan, an individual retirement account or an individual retirement annuity) (each such plan, a "**Benefit Plan**"). This summary is general in nature and does not address every ERISA or other issue that may be applicable to the Company or a particular investor, and does not constitute (and should not be construed as) legal advice or a legal opinion. This summary is based on the provisions of ERISA, the Code, judicial decisions, and tax and United States Department of Labor regulations and rulings in existence as of the date hereof. Future legislative, administrative, or judicial action could significantly modify the information summarized herein. Any such changes may be retroactive and thereby apply to transactions entered into before the date of their enactment or release, and neither the Manager nor the Company assumes any responsibility to notify Members of any such actual or potential changes. A fiduciary considering investing assets of a Benefit Plan in the Units should consult with its legal advisor about ERISA, fiduciary, and other legal considerations before making such an investment.

General

ERISA and the Code impose certain duties on persons who are fiduciaries of Benefit Plans and prohibit the use of "plan assets" for the benefit of the fiduciary and certain transactions involving "plan assets" between the Benefit Plan and "parties in interest" or "disqualified persons," as those terms are defined in ERISA and the Code, respectively. In evaluating whether to invest the assets of a Benefit Plan in the Units, a fiduciary should consider, among other things: (i) whether the fiduciary has the authority to make the investment under the Benefit Plan's investment policies and governing instruments and under Title I of ERISA; (ii) whether the investment is consistent with the fiduciary's responsibilities and satisfies the requirements outlined in Part 4 of Subtitle B of Title I of ERISA (if applicable), in particular the requirements relating to prudence, diversification and delegation of control over "plan assets"; (iii) whether the investment could constitute or give rise to a violation of the prohibited transaction provisions in Section 406 of ERISA or Section 4975 of the Code; (iv) whether the investment will provide sufficient liquidity to permit benefit payments to be made as they become due, particularly because an investment in the Units will be illiquid and there are significant limitations on the marketability of the Units; (v) any requirement (such as that contained in Section 103(b)(3) of ERISA) that the Benefit Plan be valued annually at fair market value, because there will be no public market for the Units and no annual appraisals of such Units; and (vi) other provisions in ERISA dealing with "plan assets." "IRA" means an individual retirement account as defined in Section 408 of the Code. "Individual Retirement Plan" is defined under Section 7701(a)(37) of the Code and includes an individual retirement account under Section 408(a) of the Code, an individual retirement annuity under Section 408(b) of the Code, or a ROTH IRA under 408A(b) of the Code. Because an Individual Retirement Plan is not established or maintained by an employer, Individual Retirement Plans are not subject to Subtitle A and Parts 1 and 4 of Subtitle B of Title I of ERISA or the related responsibilities, except the prohibited transaction provisions in Section 4975 of the Code, described above.

Neither ERISA nor the Code specifically defines the term "plan assets." However, pursuant to United States Department of Labor regulation 29 C.F.R. § 2510.3 101, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulation**"), the assets of an entity in which a Benefit Plan acquires an equity interest will be deemed to be "plan assets" under certain circumstances. The Plan Asset Regulation generally provides that when a Benefit Plan acquires an equity interest in an entity that is neither a "publicly offered security," as defined in the Plan Asset Regulation, nor a security issued by an investment company registered under the Company Act, the Benefit Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless, among other exceptions not relevant here, it is established that equity participation in the entity by Benefit Plan investors is not significant to the Offering or that the entity is an "operating company," in each case as defined in the Plan Asset Regulation. The Units will be considered to be an equity interest that is neither a publicly offered security nor a security issued by an investment company registered under the Company Act for purposes of the Plan Asset Regulation.

For purposes of the Plan Asset Regulation, equity participation in the Company by Benefit Plan investors will not be considered "significant" so long as in the aggregate Benefit Plan investors hold less than 25% of the value of each class of equity interests in the Company. For purposes of

making this determination, the value of any equity interests held by the Manager and any other person (other than a Benefit Plan investor) who has discretionary authority or control with respect to the assets of the Company or who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of any such person, must be disregarded. The equity interests of foreign employee benefit plans, governmental plans and church plans also do not count when making this determination. The term "Benefit Plan investor" includes any Benefit Plan as well as any entity whose underlying assets include the assets of a Benefit Plan investor by reason of a Benefit Plan investor's investment in that entity.

If the assets of the Company are deemed to be "plan assets" of Benefit Plans that invest in the Company (whether as a result of the application of the Plan Asset Regulation or otherwise), then Subtitle A and Parts 1 and 4 of Subtitle B of Title I of ERISA and Section 4975 of the Code will apply to the investments made by the Company. If the only Benefit Plan investors in the Company are Individual Retirement Plans, and the assets of the Company are deemed to be plan assets, only Section 4975 of the Code will apply to the investments made by the Company. If there are Benefit Plan investors other than Individual Retirement Plans and the assets of the Company are deemed to be plan assets, this will result in, among other things, (i) the Manager becoming a fiduciary of the Benefit Plans and subject to the bonding requirements of ERISA; (ii) the application of ERISA's prudence and other fiduciary standards (which impose liability on Benefit Plan fiduciaries) to investments made by the Company, which could materially affect the operation of the Company; (iii) the application of the disclosure obligations under Section 408(b)(2) of ERISA; (iv) potential co-fiduciary liability of persons having investment discretion over the assets of Benefit Plans that invest in the Company, should any investments made by the Company not conform to ERISA's prudence and fiduciary standards under Part 4 of Subtitle B of Title I of ERISA; and (v) the possibility that certain transactions that the Company might enter into in the ordinary course of its business and operation (e.g., transactions between the Company and the Manager (or its affiliates) or transactions between the Company and any parties in interest or disqualified persons with respect to any Benefit Plan that is a Member) could constitute "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code. A prohibited transaction, in addition to imposing potential personal liability on the fiduciaries of Benefit Plans, may also result in the imposition of a civil penalty under ERISA or an excise tax under the Code on parties in interest or disqualified persons with respect to the Benefit Plans. In addition, if the Benefit Plan involved in a "prohibited transaction" is an IRA", the IRA would lose its tax-exempt status. Since the Manager is not a registered investment advisor, other fiduciaries of the Benefit Plan would not be protected by the "investment manager" rule under Section 405(d) of ERISA with respect to the investment decisions made by the Manager (in its capacity as the manager of the Company).

There is little authority regarding the application of ERISA and the Plan Asset Regulation to entities such as the Company, and there can be no assurance that the United States Department of Labor or the courts would not take a position or promulgate additional rules or regulations that could significantly impact the "plan asset" status of the Company.

The Manager does not intend to manage the assets of the Company as though the assets were "plan assets" of Benefit Plan investors, unless participation by Benefit Plan investors in the Company is limited to Individual Retirement Plans. It is the intent of the Manager to monitor the investments in the Company and take actions to ensure that less than 25% of the Units are held by Benefit Plan

investors, unless participation by Benefit Plan investors in the Company is limited to Individual Retirement Plans. The Manager reserves the right to reject subscriptions in whole or in part for any reason, including that the Member is a Benefit Plan investor. In the event the Manager elects to limit investment in the Company by Benefit Plan investors, the Manager may have the authority to restrict transfers or redemptions of Units, and may require a full or partial withdrawal of any Benefit Plan investor to the extent it deems appropriate to avoid having the assets of the Company be deemed to be plan assets of any Benefit Plan investor. A Benefit Plan investor may, in the discretion of the Manager, be permitted or required to withdraw from the Company if it is determined by such Member, the Manager, the United States Department of Labor, the IRS or a court of competent jurisdiction that (i) such Benefit Plan's continued status as a Member or the conduct of the Company will result, or there is a material likelihood that such continuation or conduct will result, in a material violation of ERISA or Section 4975 of the Code, or (ii) all or a portion of the Company's assets constitute "plan assets" of such Benefit Plan.

Governmental Plans

Government-sponsored plans are not subject to the fiduciary provisions of ERISA and are also not subject to the prohibited transaction provisions under Section 4975 of the Code. However, federal, state or local laws or regulations governing the investment and management of the assets of such plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code discussed above, and may include other limitations on permissible investments. Accordingly, fiduciaries of governmental plans, in consultation with their advisors, should consider the requirements of their respective pension codes with respect to investments in the Company, as well as the general fiduciary considerations discussed above.

The fiduciary of each prospective governmental plan Member will be required to represent and warrant that investment in the Company is permissible, complies in all respects with applicable law and has been duly authorized.

Representations by Benefit Plans

A Benefit Plan proposing to invest in the Company will be required to represent that it is, and that any fiduciaries responsible for the Benefit Plan's investments are:

- Aware of and understand the Company's investment objective, policies, and strategies, and responsible for exercising independent judgment in evaluating the Benefit Plan's purchase, holding, and divestment of equity interests in the Company;

- Making the decision to invest plan assets in the Company with appropriate consideration of relevant investment factors with regard to the Benefit Plan, and the decision is consistent with the applicable duties and responsibilities imposed by law with regard to the Benefit Plan's investment decisions;

- Independent of the Manager and any affiliate of the Manager;

- Capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies of the Company, including the Benefit Plan investor's purchase of Units; and

- Understanding that neither the Company nor the Manager, nor any director, officer, member, partner, principal, or affiliate of the Company or the Manager, is by having made any oral or written statement prior to the date hereof, or by making any future written or oral statement regarding the Company, undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the Benefit Plan investor's purchase, holding, or divestment of Units.

Unless participation by Benefit Plan investors in the Company is limited to Individual Retirement Plans, it is intended that the assets of the Company will not be considered plan assets of any Benefit Plan or be subject to any fiduciary or investment restrictions that may exist under ERISA or the Code specifically applicable to such Benefit Plans. Each Benefit Plan will be required to acknowledge and agree in connection with its investment in Units to the foregoing status of the Company and the Manager and that there is no rule, regulation or requirement applicable to the Manager that is inconsistent with the foregoing description of the Company and the Manager.

Whether or not the underlying assets of the Company are deemed "plan assets" under ERISA, an investment in the Company by a Benefit Plan, other than an Individual Retirement Plan, is subject to ERISA. Accordingly, before purchasing Units, any fiduciary of a Benefit Plan should consult with its legal advisor concerning the ERISA considerations discussed above and any other ERISA-related matters.

Prohibited Transactions

The Manager shall not accept subscriptions for Units from ERISA, employer-sponsored IRA or other Benefit Plan investors unless, immediately after any such Units are sold, all Benefit Plan investors will hold in the aggregate less than 25% of the total outstanding Units of the Company. If the only Benefit Plan Investors in the Company are Individual Retirement Plan, then the Manager may accept subscriptions from additional Individual Retirement Plan Investors in excess of the 25% threshold.

Any investor that invests funds belonging to a Benefit Plan should carefully review the tax risks of provisions of this Memorandum, as well as consult with its own tax advisors. The contents hereof are not to be construed as tax, legal, or investment advice

PROSPECTIVE BENEFIT PLAN INVESTORS ARE URGED TO CONSULT THEIR ERISA ADVISORS WITH RESPECT TO ERISA AND RELATED TAX MATTERS, AS WELL AS OTHER MATTERS AFFECTING THE BENEFIT PLAN'S INVESTMENT IN THE COMPANY. MOREOVER, MANY OF THE TAX ASPECTS OF THE OFFERING DISCUSSED HEREIN ARE APPLICABLE TO BENEFIT PLAN INVESTORS AND SHOULD ALSO BE DISCUSSED WITH QUALIFIED TAX COUNSEL BEFORE INVESTING IN THE COMPANY.

Certain Tax Considerations

Set forth below is a general discussion of certain material federal income tax consequences relating to an investment in the Units. This summary is based on the Code, the regulations promulgated thereunder by the United States Department of the Treasury, decisions of various courts, IRS rulings and pronouncements, and other authorities, each as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect. Any such change could impact the matters described in this discussion. This summary does not attempt to present all aspects of the federal income tax laws or any aspect of any state, local, or foreign tax laws that may affect an investment in the Company, nor is it intended to be applicable to all investors, including investors that are subject to special tax treatment, such as investors that are subject to the alternative minimum tax, financial institutions, dealers, investors that do not hold their Units as capital assets, insurance companies, and foreign persons or entities. This discussion also does not address U.S. tax considerations that may be relevant to a non-U.S. person making an investment in the Units. No ruling has been or will be requested from the IRS and no assurance can be given that the IRS will agree with the tax consequences described in this summary. Each prospective investor should consult with its own tax adviser in order to fully understand the federal, state, local, and foreign income tax consequences of an investment in the Company. This summary does not constitute tax advice, and is not intended to substitute for tax planning based on each investor's particular circumstances.

Company's Tax Status

It is intended that the Company will be classified and reported as a partnership for federal income tax purposes and that the Company will not be treated as a "publicly traded partnership." An entity that would otherwise be classified as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership." The Manager intends to operate the Company in a manner that will not cause it to be treated as a publicly traded partnership. These measures will include the Manager having the absolute right to deny transfers of Units unless a safe harbor to prevent the Company from being treated as a publicly traded partnership is clearly available, as determined in the Manager's sole discretion. In addition, the Company intends to obtain and rely on appropriate representations and undertakings from each Member so that the Company is not treated as a publicly traded partnership.

The following discussion assumes that the Company will be treated as a partnership for federal income tax purposes. The Manager may, in its sole discretion, establish parallel, feeder, or alternative entities such as partnerships, corporate subsidiaries, or other investment vehicles to address the tax, regulatory, or other concerns of certain investors. In addition, the Manager may also, in its sole discretion, reorganize the Company into a master-feeder structure. Any person reviewing this discussion should seek advice based on such person's particular circumstances from an independent tax advisor.

Taxation of Members

As a partnership, the Company generally will not be subject to federal income tax. Instead, for federal income tax purposes, each Member will be required to take into account its distributive

share of all items of the Company's income, gain, loss, deduction, and credit for the Company's taxable year ending within or with the Member's taxable year. Each item generally will have the same character and source as it would if Member had realized the item directly.

A Member will be required to include in income for federal income tax purposes its share of the Company's income or gain regardless of whether the Company makes any distribution to such Member. Therefore, each Member should be aware that the tax liability associated with owning a Units may exceed (perhaps to a substantial extent) the cash distributed to that Member during a taxable year, and a Member may have to utilize cash from other sources to satisfy a tax liability attributable to its ownership of Units.

The Operating Agreement provides for the allocation of income, gain, loss, deduction and credits among the Members of the Company for each fiscal year. The Manager expects such allocations to be respected because they have substantial economic effect or are otherwise in accordance with the Members' interests in the Company. It is possible, however, that the IRS may seek to challenge an allocation of income, gain, loss, deduction or credit among the Members.

Nature of Company Income

The Company expects generally to recognize ordinary income in connection with its transactions but may also recognize either (or both) long-term and short-term capital gains. It is also possible that the Company will recognize capital losses for federal income tax purposes, the deductibility of which may be
limited.

Upon the sale of an Asset by the Company, the Company will recognize a gain or loss in an amount equal to the difference between the amount realized and the Company's tax basis in the Asset sold. The gains or losses realized by the Company from the sale or other divestment of Assets may be treated as capital gains or losses if the Asset qualifies as a capital asset; however, if the Asset does not qualify as a capital asset, then the gain or loss may be treated as ordinary income or loss for federal income tax purposes. Further, if an Asset is sold less than one year from the date of acquisition, gains from such Asset may be treated as short-term capital gains and taxed at ordinary income rates. Long-term capital gains, other than certain types of depreciation recapture, are taxable at a reduced rate for individuals (generally at the top rate of 20% plus the 3.8% tax on unearned income described below).

Members who are individuals, estates, or certain trusts may be subject to the 3.8% Net Asset Income tax pursuant to Section 1411 of the Code on certain investment income such as interest, dividends, and rents from certain passive activities. Prospective investors should consult their tax advisors regarding the possible applicability of this tax in respect of an investment in the Company.

Basis

Each Member will (subject to certain limits as discussed below) be entitled to deduct its allocable share of the Company's losses to the extent of its tax basis in Units at the end of the tax year of the Company in which such losses are recognized. A Member's tax basis in its interest is, in general,

equal to the amount of cash the Member has contributed to the Company, increased by the Member's proportionate share of income and liabilities of the Company, and decreased by the Member's proportionate share of cash distributions, losses, and reductions in such liabilities.

If cash (including in certain circumstances "marketable securities") distributed to a Member in any year, including for this purpose any reduction in a Member's share of the liabilities of the Company, exceeds that Member's share of the taxable income of the Company for that year, the excess will constitute a return of capital and will be applied to reduce the tax basis of such Member's interest. Any distribution in excess of such basis will result in taxable gain to such Member. In general, distributions (other than liquidating distributions) of property other than cash and, in certain circumstances, "marketable securities," will reduce the basis (but not below zero) of a Member's interest by the amount of the Company's basis in such property immediately before its distribution, but will not result in the realization of taxable income to the Member.

Limits on Deductions for Losses and Expenses

In the case of Members that are individuals, estates, trusts, or certain types of corporations, the ability to utilize any tax losses generated by the Company may be limited under the "at risk" limitation in Section 465 of the Code, the passive activity loss limitation in Section 469 of the Code, and certain other provisions of the Code.

Sale or Exchange of Units

A Member that sells or otherwise disposes of an interest in the Company in a taxable transaction generally will recognize gain or loss equal to the difference, if any, between the adjusted basis of the interest and the amount realized from the sale or divestment. The amount realized will include the Member's share of the Company's liabilities outstanding at the time of the sale or divestment. Except to the extent the Company holds inventory or unrealized receivables, any such gain or loss generally should be capital gain or loss. Long-term capital gain may be eligible for a reduced rate of federal income taxation if the interest in the Company has been held for more than one year. The holding period for capital gains purposes begins on the day after the interest is issued to the Member.

In the event of a sale or other transfer of an interest at any time other than the end of the Company's taxable year, the share of income and losses of the Company for the year of transfer attributable to the interest transferred will be allocated for federal income tax purposes between the transferor and the transferee on either an interim closing-of-the-books basis or a pro rata basis reflecting the respective periods during such year that each of the transferor and the transferee owned the interest.

Tax-Exempt Members

In general, organizations that are otherwise exempt from federal income taxation pursuant to Section 501(a) of the Code ("**Tax-Exempt Investors**") are subject to taxation with respect to any unrelated business taxable income ("**UBTI**"). Under Section 512(c) of the Code, when computing UBTI, a Tax-Exempt Investor must include its distributive share of income of any partnership of which it is a partner to the extent that such income would be UBTI if earned directly by the Tax-

Exempt Investor.

UBTI is generally defined as gross income from a trade or business regularly carried on by a tax-exempt entity that is unrelated to its exempt purpose (including an unrelated trade or business regularly carried on by a partnership of which the entity is a partner) less the deductions directly connected with that trade or business. Subject to income earned through conducting a U.S. trade or business and to the discussion of the "unrelated debt financed income" below, UBTI generally does not include interest, most real property rents or gains from the sale, or exchange or other divestment of property (other than inventory or property held primarily for sale to customers in the ordinary course of a trade or business), but does include operating income from businesses owed directly or through a partnership or other flow-through entity for U.S. federal income tax purposes.

If a Tax-Exempt Investor's acquisition of Units is debt-financed, or the Company incurs "acquisition indebtedness" with respect to an investment, then all or a portion of the income attributable to the debt-financed property generally may be included in UBTI regardless of whether such income would otherwise be excluded as dividends, interest, rents, gain or loss from sale of eligible property, or similar income. Such treatment will apply, in the case of ordinary income, only in tax years in which the Company had acquisition indebtedness outstanding or, in the case of a sale, if the Company had acquisition indebtedness outstanding at any time during the 12-month period prior to the sale.

In addition, UBTI can be realized through an acquisition, development, and divestment strategy whereby the Company would be treated as a "dealer" with respect to all or part of the assets in which it invests. In this case all the gain from the divestment of such assets generally would be UBTI.

Because the Company may incur "acquisition indebtedness" with respect to certain investments, Tax-Exempt Investors likely may recognize UBTI with respect to an investment in the Company. In addition, the loans and some of the direct acquisitions of real property may constitute a U.S. trade or business. The Manager may, in its sole discretion, establish parallel, feeder, or alternative entities such as partnerships, corporate subsidiaries, or other investment vehicles to address the tax, regulatory, or other concerns of certain investors. In addition, the Manager may also, in its sole discretion, reorganize the Company into a master-feeder structure. However, there can be no assurance that the Tax-Exempt Investors will not incur UBTI with respect to any investment. Tax-Exempt Investors are urged to consult with their own tax advisors regarding the possible consequences of an investment in the Company.

TAX-EXEMPT INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING ALL ASPECTS OF INVESTMENTS THAT MAY RESULT IN UBTI.

Treatment of Withholding Taxes

The Company will withhold and pay to the IRS any withholding taxes required to be withheld with respect to any Member and will treat such withholding as a payment to such Member. Such payment will be treated as a distribution to the Member with respect to which such withholding is

made. To the extent that such payment exceeds the amount of any cash distribution to which such Member is then entitled, such Member is required, as set forth in the Operating Agreement, to make prompt payment to the Company.

Each prospective investor is urged to consult with and must rely upon the advice of its own professional tax advisors with respect to the United States and foreign tax treatment of an investment in the Company.

State and Local Taxes, and Foreign Tax Considerations

The foregoing discussion does not address the state, local and foreign tax considerations of an investment in the Company. Prospective investors are urged to consult their own tax advisors regarding those matters and all other tax aspects of an investment in the Company. Members may be subject to state or local income, franchise, or withholding taxes in those jurisdictions where the Company owns real estate assets or is otherwise regarded as doing business and may be required to file tax returns in such jurisdictions. It is possible that the Company itself may be subject to state or local tax in certain jurisdictions.

Reporting

The Manager will furnish each Member with an annual statement setting forth information relating to the operations of the Company (including information regarding such Member's distributive share of partnership 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 with respect to such Member's participation in the Company.

U.S. Partnership Tax Audit Risk

Under current law, the Company, which intends to be treated as a partnership for U.S. tax purposes, will be required to file a tax return with the IRS. If the tax returns of the Company are audited by the IRS, the tax treatment of the Company's income and deductions generally is determined at the Company level.

Also under current law, an audit adjustment of the Company's tax return filed or required to be filed for any tax year beginning during or after 2018 (a "**Filing Year**") could result in a tax liability (including interest and penalties) imposed on the Company for the year during which the adjustment is determined (the "**Adjustment Year**"). The tax liability generally is determined by using the highest tax rates under the Code applicable to U.S. corporations.

To mitigate the potential adverse consequences of the general rule, the Company may be able to elect to pass through such audit adjustments for any year to the Members who were Members for the Filing Year, in which case those Members generally would be responsible for the payment of any tax deficiency, determined after including their shares of the adjustments on their tax returns for the Adjustment Year.

[End of Memorandum]