PICKLEBALL AT RIVERWALK OPPORTUNITY ZONE FUND, LLC
a Delaware limited liability company

PRIVATE PLACEMENT MEMORANDUM

THIS OFFERING IS LIMITED TO ACCREDITED INVESTORS

Offer of Class B Units

Minimum Subscription Amount for Investor Units: $100,000

June 25, 2024

Questions and requests for information may be directed to:

Pickleball at Riverwalk Opportunity Zone Fund, LLC
c/o Caliber Services, LLC.
8901 E. Mountain View Road, Suite 150
Scottsdale, Arizona 85258
Telephone: 480-295-7600

THIS IS NOT AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE UNITS DESCRIBED HEREIN IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SALE.

PICKLEBALL AT RIVERWALK OPPORTUNITY ZONE FUND, LLC
a Delaware limited liability company

THIS OFFERING IS LIMITED TO ACCREDITED INVESTORS

Minimum Subscription for Class B Units: $100,000

Price Per Class B Unit: $1,000.00

Pickleball at Riverwalk Opportunity Zone Fund, LLC (the "*Company*") is a Delaware limited liability company and has been formed for the purpose of:

(i) offering and selling (the "*Offering*") to certain qualified investors (each an "*Investor*" and collectively, the "*Investors*") a class of membership units of Company designated as "*Class B Units*" (referred to herein as either the "*Class B Units*" or simply the "*Units*");

(ii) holding a membership interest in Pickleball at Riverwalk FundCo, LLC, a Delaware limited liability company ("*FundCo*"), which, in turn, will own a one hundred percent (100%) membership interest in Pickleball at Riverwalk MezzCo, LLC, a Delaware limited liability company ("*MezzCo*"), which, in turn, will own a one hundred percent (100%) membership interest in Pickleball at Riverwalk HoldCo, LLC, an Arizona limited liability company ("*HoldCo*");

(iii) indirectly holding, through HoldCo, a ground leasehold interest pursuant to which approximately +/-11.44 acres will be ground subleased to HoldCo, with such real property located on the Salt River Pima-Maricopa Indian Community in Maricopa County, Arizona south of the southwest quadrant of the intersection of Vía de Ventura and Dobson Road, near Loop 101 in Scottsdale, Arizona; and

(iv) indirectly developing, operating, and managing, through HoldCo, a +/-186,423 square foot building (the "*Project*") that will be developed as a pickleball and racquet sports facility.

The Units will be offered and sold pursuant to and in accordance with the terms set forth in this Private Placement Memorandum (this "*Memorandum*"). The Units will be sold exclusively to "*Accredited investors*" (as such term is defined in Rule 501 of Regulation D, as promulgated under Section 4(2) of the Securities Act of 1933 (as amended, the "*Securities Act*")).

The Company will be managed by Pickleball at Riverwalk ManageCo, LLC, an Arizona limited liability company (the "*Manager*"). The Manager will have authority to make all decisions

with respect to Company, its subsidiaries, and the development and ownership of the Project. The Manager is wholly owned by Caliber – The Wealth Development Company, a trade name used to refer to a group of affiliated entities directly or indirectly controlled by CaliberCos, Inc., a Delaware corporation ("*Caliber*"). Caliber has been involved in acquiring, managing, and disposing of commercial real estate-related assets for over 15 years.

Brief Description of the Project and Investment Objectives of Company

The Project will consist of a +/-186,423 square foot building (the "*Project*") that will be developed as a pickleball and racquet sports facility with approximately 50 premium indoor courts (including a main "championship" court), a small fitness center, pro-shop, teen room, office, restaurant, and locker room (collectively referred to herein as the "Facility"). The Project will be located on the Salt River Pima-Maricopa Indian Community in Maricopa County, Arizona south of the southwest quadrant of the intersection of Vía de Ventura and Dobson Road, near Loop 101 in Scottsdale, Arizona. The Facility will be branded under the name "PURE Pickleball Scottsdale", which is a brand that is owned by Pure Pickleball Company, LLC (additional information regarding this entity is set forth below). The Facility, once completed, will be managed by PURE Pickleball, LLC. Additional information relating to this facility manager is located in additional sections of this Memorandum.

The Project is expected to break ground in Q2 2025. Total project costs are anticipated to be approximately $65,165,369, although almost $12 million of that amount is in the form of the contribution of the Leasehold Interest to HoldCo (in exchange for equity interests issued by the Fund to certain Caliber-sponsored funds that previously contributed equity, indirectly, to HoldCo). A number of material actions remain outstanding that will each be a condition to breaking ground, including, without limitation:

- An Affiliate of Caliber, Riverwalk 1 HoldCo, LLC, currently holds the ground substitute-leasehold interest referenced above (the "*Leasehold Interest*") pursuant to which approximately +/-11.44 acres located in Maricopa County, Arizona is leased from the Salt River Pima-Maricopa Indian Community to Riverwalk 1 HoldCo, LLC. Prior to breaking ground, the Leasehold Interest will need to be transferred to HoldCo. Because of a lack of clarity or particular process with the rules and regulations for transferring the Leasehold Interest from Riverwalk 1 HoldCo, LLC to HoldCo, Caliber is currently pursuing clarification with the IRS regarding the most efficient process to accomplish the transfer. It remains unclear at this time which process will be conducted to transfer the Leasehold Interest from Riverwalk 1 HoldCo, LLC to HoldCo. There may be some consequences (economic or otherwise and directly or indirectly) to the Company in connection with the transfer described in this section, although the Manager's goal is to minimize any negative consequences to the Company in connection with any such transfer. Please see additional disclosure in the Tax section of this Memorandum regarding certain risks associated with the issued identified in this section.

- To accomplish the transfer of the Leasehold Interest described in the section immediately above and accomplish the development of the Project, certain

consents will be required, which may include the consents described below, without limitation:

- To transfer the Leasehold Interest to HoldCo, approval by the Bureau of Indian Affairs (the "*BIA*") and the Salt River Pima-Maricopa Indian Community (the "*Community*") will be required. While Caliber believes this should not be a challenge, there is no guaranty that the Manager or its affiliates will be successful in securing this consent. The Project will not be able to be developed (in its current proposed form) without first obtaining this approval.

- The Leaeshold Interest is currently encumbered by a first position lien from bank financing provided by CrossFirst Bank. To transfer the Leasehold Interest to HoldCo, the approval of CrossFirst Bank will be required. It is anticipated that, if approved by CrossFirst Bank, the Leasehold Property will be transferred to HoldCo and HoldCo would continue to be subject to the current first position lien interest held by CrossFirst Bank. There is no guaranty that CrossFirst Bank will approve the transfer, or if the transfer is approved, CrossFirst Bank will not require that additional fees be paid or that the loan with CrossFirst Bank be repaid in part. Please also note that the loan with CrossFirst Bank was for a $20,000,000 single-advance loan used to acquire not only the Leasehold Interest, but also acquire certain other leasehold interests held by the following entities: (1) Riverwalk 1 Holdco, LLC; (2) Riverwalk 2 HoldCo, LLC; (3) Riverwalk 3 HoldCo, LLC; (4) Riverwalk 4 HoldCo, LLC; (5) Riverwalk 5 HoldCo, LLC; (6) Riverwalk 6 HoldCo, LLC; and (7) Riverwalk 7 HoldCo, LLC. Each of the above-named parties are currently "borrowers" under the Crossfirst Bank Loan, and the CrossFirst bank loan is cross-collateralized by a security interest on all of the leasehold interests held by these entities—meaning that a default by one entity will result in a default by all entities.

- In addition to the CrossFirst Bank loan described above, it is anticipated that additional construction financing will be required to complete the Project. Such additional construction financing may be sourced by CrossFirst Bank, or if needed, by a third-party lender which may include repayment of a portion of the CrossFirst Bank loan (sufficient to release any security interest and obligation associated with the Leasehold Interest).

- An anticipated total of twenty two million dollars ($22,000,000) in equity will be required to be raised to complete the Project. This amount will be raised by the Company (and contributed to FundCo) or by one or more other entities that fund equity to the FundCo. The Company equity interest in the FundCo will be pro rata compared to the other entities that may contribute equity capital to the FundCo in connection with the development and ownership of the Project.

Please note that the "*Confidential Investment Overview & Executive Summary*" enclosed herein as Appendix B contains additional information and disclosures regarding the Company and the Project.

Brief Description of the Opportunity Zone Rules and Regulations

The Company will be operated by the Manager in a manner intended to comply with Code Sections 1400Z-1 and 1400Z-2, any applicable Treasury Regulations (including any proposed, temporary, or final regulations to the extent such regulations are effective at the applicable time), and any applicable guidance (whether formal or informal), including, but not limited to, administrative pronouncements, FAQs, or forms (including instructions to the forms) (collectively, the *"Opportunity Zone Provisions*").

The creation of this national Opportunity Zone incentive by the Federal government offers a unique opportunity for investors to defer, reduce, or eliminate various state and federal taxes, generate potential investment returns, and create potentially significant economic development in needed locations throughout the United States.

The incentive was created to specifically focus capital on economic development outcomes. The statutes and regulations do not currently require compliance with any form of social impact programs and do not require any form of reporting on social or community impact outcomes.

Caliber, through its role as the Manager, sees an opportunity to voluntarily track and consider the community, economic, and social impacts of the Company's opportunity zone investments and intends to do so, to the extent reasonably possible. As industry norms are established for tracking impact from qualified opportunity zone funds, the Manager will seek to adapt those norms and include the information in its public and private investment reporting.

Please note that there is no guaranty that the Company will satisfy the requirements to be considered a "qualified opportunity fund" (an "*QOF*"), as defined in Section 1400Z-2(d) of the Internal Revenue Code of 1986, as amended (the "*Code*"), and the Manager and Caliber make no representation, warranty or guaranty that the Company will be operated in a manner consistent with the provisions set forth in Code Section 1400Z-1 and 1400Z-2, the related Treasury Regulations, and guidance (whether formal or on an informal information basis) (collectively, the "*Opportunity Zone Provisions*"). If you are seeking to obtain income tax benefits (the "*OZ Benefits*") under Code Section 1400Z-2, then you should seek advice from a tax professional as to whether you will be able to obtain any OZ Benefits, and confirm that the Project is currently located in a "qualified opportunity zone" (an "*Opportunity Zone*"), as defined in Section 1400Z-1(a) of the Code. Each Investor should conduct its own due diligence and rely exclusively on its own advisors with respect to the tax consequences of making an investment into the Company.

Brief Description of the Units

The Amended and Restated Limited Liability Company Agreement of Company (the "*LLC Agreement*"), a copy of which is included as Appendix A, sets forth the rights and preferences of the Class B Units and the Investors.

The Class B Units held by Investors will accrue a cumulative, non-compounding preferred return of six percent (6%) per annum. Thereafter, the Class B Units will be entitled to one hundred percent (100%) of the profits of the Company, distributed pro rata based on the respective Class B Units held by each Investor.

As noted above, the Company will contribute nearly all proceeds from this offering to the FundCo in exchange for membership units in the FundCo. Distributions from the FundCo to the Company and the other investor members in the FundCo will be distributed as follows:

With respect to cash flow from operations of the FundCo:

- First, 100% to the equity investors of the FundCo until such holders have received amounts equal to a 6% preferred return, pro rata based on the accrued and unpaid preferred return due and owing to the equity investors;

- Second, (i) 70% to the equity investors of the FundCo until such holders have received a 15% IRR, and (ii) 30% to Pure Pickleball Company, LLC or its affiliate;

- Third, (i) 60% to the equity investors of the FundCo until such holders have received a 18% IRR, and (ii) 40% to Pure Pickleball Company, LLC or its affiliate; and

- Thereafter, (i) 50% to the equity investors of the FundCo, and (ii) 50% to Pure Pickleball Company, LLC or its affiliate.

With respect to cash from refinance or capital events of the FundCo:

- First, 100% to the equity investors of the FundCo until such holders have received amounts equal to a 6% preferred return, pro rata based on the accrued and unpaid preferred return due and owing to the equity investors;

- Second, 100% to the equity investors of the FundCo until they receive a return of their respective capital contributions;

- Third, (i) 70% to the equity investors of the FundCo until such holders have received a 15% IRR, and (ii) 30% to Pure Pickleball Company, LLC or its affiliate;

- Fourth, (i) 60% to the equity investors of the FundCo until such holders have received a 18% IRR, and (ii) 40% to Pure Pickleball Company, LLC or its affiliate; and

- Thereafter, (i) 50% to the equity investors of the FundCo, and (ii) 50% to Pure Pickleball Company, LLC or its affiliate.

*Please note that the percentage splits represented above may be different with respect to any contributions received by the FundCo from one or more Caliber-sponsored funds (not including the Company). Regardless of the different percentage splits, the economic result will be the same for the Company and the Company will not be negatively impacted by such changes in percentage splits.

*The entity entitled to the promote interest, Pure Pickleball Company, LLC, is a joint venture between Caliber, on one side, and Pure Pickleball, LLC, on the other side.

Brief Description of the Offering

The Company may raise up to twenty-two million dollars ($22,000,000) under this Offering in connection with the sale of the Units, which amount may be increased by the Manager in its sole discretion (the "*Maximum Raise Amount*"). As noted above, the expected amount of equity capital required for the FundCo to complete the Project is twenty two million dollars ($22,000,000). This amount may be raised exclusively by the Company, or by one or more other entities (which may or may not be affiliated with Caliber).

The individual minimum subscription for the Units is One Hundred Thousand Dollars ($100,000), unless otherwise waived by the Manager. When deciding to waive a minimum subscription amount requirement, the Manager may make such determination in its sole and absolute discretion. Subscriptions are subject to acceptance or rejection by the Manager, in the Manager's sole and absolute discretion. Rejected subscriptions and subscription funds will be returned to subscribers without interest promptly following rejection.

The Company has an agreement with Tobin & Company Securities LLC, a registered broker/dealer and member FINRA/SIPC (the "*Managing Broker*"), pursuant to which the Units will be offered and sold. Please note that salespersons will receive selling commissions of up to two percent (2%) of the gross proceeds in the Offering. Other fees that will be paid to Tobin & Company Securities LLC include the following: (1) a non-refundable engagement fee of ten thousand dollars ($10,000) that will be paid upon execution of a placement agreement between the Company and the Managing Broker; and (2) a placement fee equal to one percent (1%) of all sales of Units.

The date of this Memorandum is June 25, 2024.

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IMPORTANT GENERAL CONSIDERATIONS

This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy by anyone in any state in which the offer or solicitation is not authorized or in which the person making the offer or solicitation is not qualified to do so, to any person to whom it is unlawful to make the offer or solicitation, or to any person other than the offeree to whom this Memorandum has been delivered (each an "Offeree" and collectively, the "Offerees").

No dealer, salesperson, or other person has been authorized in connection with this offering to give an Offeree any information or make any representation other than those contained in this Memorandum and, if given or made, that information or representations may not be relied upon. Each Offeree is advised to conduct its own thorough investigation of Company and the terms of the offering, including the merits and risks involved, before making an investment in the Units. This Memorandum supersedes in its entirety any preliminary transaction summary or term sheet or any other oral or written information heretofore delivered to each Offeree. Prior to the sale of the securities, Company is hereby providing each Offeree the opportunity to ask questions and to obtain any additional information concerning Company and the terms and conditions of the offering that the Offeree wishes to obtain.

The securities offered in connection with this Memorandum are being offered and will be sold in reliance on the exemption from the registration requirements of the Securities Act provided in section 4(a)(2) and Rule 506 of Regulation D to a limited number of investors that are "Accredited investors" within the meaning of Rule 501(a) of Regulation D under the Securities Act.

This investment is suitable only for subscribers of substantial net worth that are willing, and have the financial capability, to bear the economic risk of an investment for an indefinite period of time. There is no public trading market for the securities nor is it contemplated that one will develop in the foreseeable future. Any transfer or resale of the Units or any interest or participation therein will be subject to restrictions under the Securities Act and as provided in the LLC Agreement.

Purchasers of the Units will be required to make (pursuant to the Subscription Agreement) certain acknowledgments, representations, and agreements upon initial issuance, including representations with respect to their net worth or income and their authority to make this investment, as well as representations that they are familiar with and understand the terms, conditions and risks of this offering.

Certain of the terms of the LLC Agreement, Subscription Agreement, and other documents are described in this Memorandum. These descriptions do not purport to be complete and each summary description is subject to, and qualified in its entirety by reference to, the actual text of the relevant document. Any purchase of Units should be made only after a complete and thorough

review of the provisions of this Memorandum, the LLC Agreement, and the remaining documents delivered hereto. In the event that any of the terms, conditions or other provisions of the LLC Agreement are inconsistent with or contrary to the description of terms in this Memorandum, the LLC Agreement will govern.

An investment in the Units involves a high degree of risk. An independent investigation should be undertaken by each subscriber regarding the suitability of his, her or its investment in the Units.

Offerees are not to construe the contents of this Memorandum or any information made available as described below as legal or tax advice. Each subscriber should consult his, her or its' own counsel, accountant, business and financial advisors as to legal, tax, and related matters concerning the purchase of the Units.

The market, financial, and other forward-looking information presented in this Memorandum represents the subjective views of the Manager and is based on assumptions the Manager believes are reasonable but that may or may not prove to be correct. There can be no assurance that the Manager's views are accurate or that the Manager's estimates will be realized. Nothing in this Memorandum is or should be relied on as a promise as to the future performance or condition of Company. Industry experts may disagree with these assumptions and with the Manager's view of the market and the prospects for Company.

In purchasing the Units, custodians, trustees, and other fiduciaries of an individual retirement account ("IRA") or simplified employee pension ("SEP") qualifying under Section 408 of the Internal Revenue Code of 1986, as amended (the "Code"), KEOGH plans, and retirement plans as described in Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (collectively, "Qualified Plans") should consider the possible application of ERISA and related provisions of the Code, as well as whether an investment by a Qualified Plan in Company would be permissible under the governing instruments of the Qualified Plan. The Department of Labor has issued regulations which affect the type of investments in which Qualified Plans may invest, including investments in companies such as Company. Less than 25% of the total number of Units sold will be sold to Qualified Plans, and transfer of the Units to Qualified Plans will be restricted so that less than 25% of the Units outstanding at any time will be owned by Qualified Plans.

Offerees whose authority is subject to legal investment restrictions should consult their own legal advisors to determine whether, and if so, to what extent, the Units will constitute legal investments for them. Each Offeree should consult with their tax advisor as to whether the Offeree qualifies for any of these benefits and how to take advantage of such benefits.

This Memorandum presents information with respect to Company as of the date hereof. The delivery of this Memorandum at a time after the date on the cover does not imply that the information herein is correct as of any time subsequent to that date.

Each Offeree of the Units and its representatives and beneficial owners, if any, are invited to ask questions concerning the terms, conditions, and other aspects of this offering and to obtain any additional information with respect to the Units, Company, and the Manager that they deem

necessary or advisable to supplement or to verify the accuracy of the information contained herein and, in the case of documents referred to herein, to request that such documents be made available.

NASAA UNIFORM DISCLOSURE

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

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

FLORIDA RESIDENTS

IF SALES ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA, AND YOU PURCHASE SECURITIES HEREUNDER, THEN YOU MAY VOID SUCH PURCHASE EITHER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY YOU TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THIS PRIVILEGE IS COMMUNICATED TO YOU, WHICHEVER OCCURS LATER.

CONDITIONS TO RECEIVING THIS MEMORANDUM

By accepting delivery of this Memorandum, each Offeree understands and agrees to comply with the following:

- the information contained herein is confidential;
- the Offeree will not make any photocopies of this Memorandum or any related documents;
- the Offeree will not distribute this Memorandum or disclose any of its contents to any persons other than to those persons, if any, that the Offeree retains to advise the Offeree with respect to its contents;
- the Offeree will review this Memorandum, including statistical, financial, and other numerical data, with the Offeree's legal, regulatory, tax, accounting, investment, or other advisors. Neither Company nor the Manager intends in this Memorandum or in any other medium to furnish legal, regulatory, tax, accounting, investment, or other advice;
- the Manager may reject any offer to purchase Units, in whole or in part, for any reason; and
- if an Offeree does not purchase Units or if the offering is terminated, on request of Company or the Manager, the Offeree will return this Memorandum and all attached documents to the Manager.

This Memorandum has been prepared for use by a limited group of Accredited Investors to consider the purchase of Units. Company reserves the right to modify or terminate the offering process at any time.

FORWARD-LOOKING STATEMENTS

Information contained in this Memorandum contains "forward-looking statements." Forward-looking statements reflect Company's current expectations or forecasts of future events. Forward-looking statements can be identified by words such as "will," "believes," "expects," "may," "should," or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy. The matters identified in the "Risk Factors" section constitute cautionary statements identifying important factors with respect to forward-looking statements, including certain risks and uncertainties. Other factors could also cause actual results to vary materially from the future results covered in the forward-looking statements contained herein.

Any projections, estimates, or other forecasts contained in this Memorandum are forward-looking statements that have been prepared by Company and are based on assumptions that Company believes are reasonable. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results. Accordingly, the projections are only an estimate. Actual results may, and most likely will, vary from the projections, and the variations may be material.

Statements in this Memorandum relate only to events as of the date on which the statements are made. None of Company, the Manager or any of their respective affiliates has any obligation to update or otherwise revise any projections, including any revisions to reflect changes in economic conditions or other circumstances arising after the date hereof or to reflect the occurrence of unanticipated events, even if underlying assumptions do not come to fruition.

WHO MAY INVEST; SUITABILITY STANDARDS

Company is offering and selling the Units in reliance on an exemption from the registration requirements of the Securities Act and state laws. Accordingly, distribution of the Memorandum has been strictly limited to persons believed to meet the requirements set forth below. Participation in the offering is limited to Accredited Investors who make the representation set forth below and furnish supporting documentation as is requested by, and acceptable to, Company. Company reserves the right, in its sole and absolute discretion, to reject any subscription based on any information that may become known or available to it about the suitability of an Investor or for any other reason, or no reason.

As investment in the Units involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in this investment. Only Investors who (i) represent in writing that they meet the Investor suitability requirements set herein and as may be required under federal or state law, and (ii) supply Company with acceptable Accredited Investor verification documentation, as requested by Company, may acquire the Units. Company has the right to and will rely on the written representations an Offeree makes and supporting information supplied by an Offeree. Each Offeree must provide truthful and accurate information.

The Investor Suitability Requirements stated below represent minimum suitability requirements established by Company. However, an Offeree's satisfaction of these requirements will not necessarily mean that the Units are a suitable investment for the Offeree, or that Company will accept the Offeree as an Investor. Furthermore, the Manager may modify those requirements in its sole and absolute discretion, and any modification may raise the suitability requirements for Investors.

You (as the Offeree) must represent in writing that you meet, among other, all of the following requirements (the "*Investor Suitability Requirements*").

(a) You have received, read and fully understand the Memorandum and are basing your decision to invest on the information contained in the Memorandum. You have relied only on the information contained in the Memorandum and have not relied on any representations made by any other person;

(b) You understand that an investment in the Units is highly speculative and involves substantial risks and you are fully cognizant of and understand all of the risks relating to an investment in the Units, including those risks discussed in the "Risk Factors" section of the Memorandum;

(c) Your overall commitment to investments that are not readily marketable is not disproportionate to your individual net worth, and your investment in the Units, will not cause such overall commitment to become excessive;

(d) You have adequate means of providing for your financial requirements, both current and anticipated, and have no need for liquidity in this investment

(e) You can bear and are willing to accept the economic risk of losing your entire investment in the Units;

(f) You are acquiring the Units for your own account and for investment purposes only and have no present intention, agreement or arrangement for the distribution, transfer, assignment, resale, or subdivision of the Units;

(g) You have sufficient knowledge and experience in financial and business matters that you are capable of evaluating the merits of investing in the Units and have the ability to protect your own Units in connection with this investment; and

(h) You are an "Accredited Investor" as defined in Rule 501(a) of Regulation D under the Securities Act. A detailed description regarding individuals, entities, and other persons included within the definition of "Accredited Investor" is included in the Subscription Agreement.

PRIVACY NOTICE

We value each Investor's privacy and are providing this Privacy Notice as a courtesy to each of our Investors.

We do not disclose nonpublic personal information about our Investors or former Investors to third parties other than as described below.

We collect information about you (such as name, address, social security number, assets, and income) from our discussions with you, from documents that you may deliver to us (such as the Subscription Agreement) and in the course of providing services to you. In order to service your account and effect your transactions, we may provide your personal information to our affiliates and to firms that assist us in servicing your account and have a need for such information, such as any fund administrator, investor relations administrator, auditors, or accountants. We do not otherwise provide information about you to outside firms, organizations or individuals except as required or permitted by law. Any party that receives this information will use it only for the services required and as allowed by applicable law or regulation and is not permitted to share or use this information for any other purpose. Notwithstanding the above, the Manager and Company will have no liability to a Investor to the extent that the information described above becomes publicly known, except to the extent that the Manager's or Company's actions constitute gross negligence or willful misconduct.

As of January 1, 2020, California law will require certain data security requirements of Personal Information by covered businesses and will grant residents of California certain rights with respect to obtaining information about their personal data that is maintained by a covered business. We will comply with these requirements. Among other rights, California law will permit residents of California to opt-out of certain disclosures of Personal Information to third parties. In some circumstances, you may elect to opt-out of the sharing of your Personal Information with third parties and may do so by submitting a request in writing or by contacting us by telephone.

SUMMARY OF OFFERING AND UNITS

This summary highlights some of the most significant information contained elsewhere in this Memorandum. Because it is a summary, it does not contain all of the information that may be important to a potential Investor. To understand this offering fully, a potential Investor should read the entire Memorandum and LLC Agreement carefully, including, without limitation, the information discussed under the caption "Risk Factors," before making a decision to invest in the Units.

The Company:	Pickleball at Riverwalk Opportunity Zone Fund, LLC, a Delaware limited liability company
Manager:	Pickleball at Riverwalk ManageCo, LLC, an Arizona limited liability company
Property Holder:	Pickleball at Riverwalk HoldCo, LLC, an Arizona limited liability company HoldCo will be a wholly owned subsidiary of Pickleball at Riverwalk MezzCo, LLC. MezzCo is a wholly owned subsidiary of Pickleball at Riverwalk FundCo, LLC (which is referred to herein as the FundCo). Manager will make all decisions with respect to Company, HoldCo, MezzCo, and the FundCo. Manager is controlled by an affiliate of Caliber. Please, note, however, that certain major actions and restrictions require the consent of PURE Pickleball, LLC prior to the Manager authorizing and conducting any such items, which may include, without limitation, terminating the facility manager, selling the Project, etc.
Facilities Management:	Once the Project has been developed, the Facility will be operated by PURE Pickleball, LLC, an entity owned and controlled by Kevin Berk and Brett Warner.
Pure Pickleball Company, LLC:	Certain economic "promote" interests in the FundCo will be held by Pure Pickleball Company, LLC, which is a joint venture between (i) Caliber – The Wealth Development Company, a trade name used to refer to a group of affiliated entities directly or indirectly controlled by CaliberCos, Inc., a Delaware corporation ("*Caliber*"), and (ii) PURE Pickleball, LLC, controlled by Kevin Berk and Brett Warner.
Property (Ground Subleases):	HoldCo will be acquiring an assignment of that certain leasehold interest pursuant to the Substitute Lease known as Business Lease B-704 between Certain Allotted Landowners as lessors within the Salt River Pima-Maricopa Indian Community and Riverwalk 1 HoldCo,

LLC, as lessee with respect to that certain ±11.44-acre real property located sought of the southwest quadrant of the intersection of Vía de Ventura and Dobson Road, near Loop 101 in Scottsdale, Arizona ("Property"), in exchange for a price of $24.00 per square foot, for an aggregate purchase price of approximately $11.960MM, with such real property located on the Salt River Pima-Maricopa Indian Community in Maricopa County, Arizona.

Because of a lack of clarity or particular process with the rules and regulations for transferring the Leasehold Interest from Riverwalk 1 HoldCo, LLC to HoldCo, Caliber is currently pursuing clarification with the IRS regarding the most efficient process to accomplish the transfer. It remains unclear at this time which process will be conducted to transfer the Leasehold Interest from Riverwalk 1 HoldCo, LLC to HoldCo. There may be some consequences (economic or otherwise and directly or indirectly) to the Company in connection with the transfer described in this section, although the Manager's goal is to minimize any negative consequences to the Company in connection with any such transfer.

Please note that a more detailed description of the Leasehold Interest can be found further below in this Memorandum.

Investment Strategy: See *Confidential Investment Overview & Executive Summary* enclosed herein as Exhibit B.

Please note that the investment in the Company is an investment in a real estate development project, and not an investment in the "PURE Pickleball" brand. The "PURE Pickleball Scottsdale" name will be licensed to HoldCo for purposes of use by the Facility, but will not be an asset owned by HoldCo (and therefore indirectly by the Company). This means that no Investor will participate or be entitled to any current or appreciation in value associated with the name "PURE Pickleball Scottsdale" and "PURE Pickleball" and the corresponding brand (including if any such appreciation in value is due to the Facility using this name). Neither HoldCo, the FundCo, or the Company will have any right to restrict the use or require payment by PURE Pickleball Company, LLC, which owns the brands listed above, with respect to the brand ownership rights held by PURE Pickleball Company, LLC.

Investment Risks: The Company's investment strategy is speculative and entails risks, including, among others: risks associated with real estate investing, risks associated with sub-leasing real property from a sovereign nation, risks with securing debt financing with respect to such sub-leasehold interests, risks associated with market changes, the risk that exit strategies of the Project may be unavailable and have limited liquidity, and dependency on key individuals. An Investor should not invest in

Company unless: (1) it is fully able to bear the financial risks of its investment for an indefinite period of time; and (2) it can sustain the loss of all or a significant part of its investment and any unrealized profits. An Investor could lose some or all of its investment in Company. There can be no assurance that the investment objectives of Company will be achieved or that Company's investment strategy will be successful.

Past results of the Manager, Caliber, and their respective affiliates, funds and clients are not necessarily indicative of the future performance of Company and the Project.

See the section labeled "*Risk Factors*" for additional information regarding risks relating to this Offering, purchase of the Units, and Company's indirect investment into the Property and the Project.

Brief Description of the Units:

A general description of the rights and preferences of the Units is set forth below. Each Investor should carefully read this Memorandum and the LLC Agreement to understand certain risks associated with acquiring Units and the rights and obligations associated with the Units.

Class B Units:

The Class B Units held by Investors will accrue a cumulative, non-compounding preferred return of six percent (6%) per annum. Thereafter, the Class B Units will be entitled to one hundred percent (100%) of the profits of the Company, distributed pro rata based on the respective Class B Units held by each Investor.

The FundCo Level Distribution Waterfall:

As noted above, the Company will contribute nearly all proceeds from this offering to the FundCo in exchange for membership units in the FundCo. Distributions from the FundCo to the Company and the other investor members in the FundCo will be distributed as follows:

Distribution of "*Net Cash Flow from Operations*" will be given as determined by the Manager from time to time in accordance with the following order and priority:

(a) First, 100% to the equity investors of the FundCo until such holders have received amounts equal to a 6% preferred return, pro rata based on the accrued and unpaid preferred return due and owing to the equity investors;

(b) Second, (i) 70% to the equity investors of the FundCo until such holders have received a 15% IRR, and (ii) 30% to PURE Pickleball Company, LLC or its affiliate;

(c) Third, (i) 60% to the equity investors of the FundCo until such holders have received a 18% IRR, and (ii) 40% to PURE Pickleball Company, LLC or its affiliate; and

(d) Thereafter, (i) 50% to the equity investors of the FundCo, and (ii) 50% to PURE Pickleball Company, LLC or its affiliate.

Distribution of "*Net Cash Flow from Sale*" and "*Net Cash Flow from Refinance*" will be given as determined by the Manager from time to time in accordance with the following order and priority:

(a) First, 100% to the equity investors of the FundCo until such holders have received amounts equal to a 6% preferred return, pro rata based on the accrued and unpaid preferred return due and owing to the equity investors;

(b) Second, 100% to the equity investors of the FundCo until they receive a return of their respective capital contributions.

(c) Third, (i) 70% to the equity investors of the FundCo until such holders have received a 15% IRR, and (ii) 30% to PURE Pickleball Company, LLC or its affiliate;

(d) Fourth, (i) 60% to the equity investors of the FundCo until such holders have received a 18% IRR, and (ii) 40% to PURE Pickleball Company, LLC or its affiliate; and

(e) Thereafter, (i) 50% to the equity investors of the FundCo, and (ii) 50% to PURE Pickleball Company, LLC or its affiliate.

Manager and Related Party Fees:

A short description of some of the fees to be paid by the Company, the FundCo, or the HoldCo are included immediately below. Please also see further below in this Memorandum a more complete description of the related party fees, including the amount to be paid, the entity receiving the fee, and the entity anticipated to pay the fee.

Management Fee: The Management Fee is a re-occurring, annual fee, payable in arrears each month based on the aggregate Capital Contributions of the Investors as of the last day of each such month and is equal to one and one half (1.5%) of the aggregate Capital Contributions of the Investors (without respect of any return of capital contributions, except for wholly or partially redeemed Investor Members. It is anticipated that the source of funds used to pay this fee will initially be from the Capital Contributions of the Investors and then, if available, from financing proceeds and/or operational cash flow. If any direct or indirect subsidiary of the Company pays to Caliber or its Affiliate any similar fee, the Management Fee described herein shall be reduced on a dollar-for-dollar basis with respect to the Capital

Contributions made by the Company to such direct or indirect subsidiary.

Sponsor Platform Organizational & Offering Fee: The Sponsor Platform Organizational and Offering Fee is a one-time fee, due and payable over the course of the first twelve (12) months of capital raising in an amount equal to seventy-five thousand dollars ($75,000) per calendar quarter. It is anticipated that the source of funds used to pay this fee will be from the initial Capital Contributions of the Investors. In the case of a reduced administrative and marketing burden or otherwise, Caliber may determine, in its reasonable discretion that the services provided by Caliber Services, LLC in connection with the Sponsor Platform Organizational and Offering Services Agreement can be reduced, Caliber may reduce such fee in amount it determines appropriate (as it determines in its discretion).

Loan Guaranty Fee (if applicable): The Loan Guaranty Fee is 0.25% of the gross value of a loan that is guaranteed by such guarantor, paid by HoldCo to the entities or person guaranteeing the loan. The Loan Guaranty Fee is a re-occurring, annual fee, payable in arrears each month. It is anticipated that the source of funds used to pay this fee will initially be from the Capital Contributions of the Investors and then, if available, from financing proceeds and/or operational cash flow.

Development Fee: Up to a maximum of four percent (4%) of the total gross project costs, including the cost of the land (based on the gross acquisition cost of the underlying property). To the extent those services are split, the fee is split accordingly between Caliber and the PP Member. The Development Fees are recognized and paid throughout the course of the development and construction of the project. Three quarters of the Development Fee for the pre-construction development activities will be due and payable as the specified tasks therein are completed. In addition, one quarter of the Development Fees for the construction development activities will be due and payable in equal monthly installments over the project timeline, beginning after the pre-construction development activities are completed; provided however that in the event of delays, adjustments, or changes to the project timeline, or to costs of the project, the aforementioned monthly payment amounts shall be recalculated and reconciled (i.e. trued-up) as appropriate to cause the full amortization of these Development Fees by the end of the revised project timeline. It is anticipated that the source of funds used to pay this fee will be from the initial Capital Contributions of the Investors or from proceeds received in connection with construction loan financing.

Construction Management Fee: Up to a maximum of four percent (4%) of hard project costs (which is intended to be based on the gross payments to the general contractor, plus at times certain other amounts

paid (e.g. furniture, fixtures and equipment). The Construction Management Fee will be paid from HoldCo to Caliber Development, LLC. The Construction Management Fee is typically paid to the payee on a monthly or quarterly basis as costs are incurred). It is anticipated that the source of funds used to pay this fee will be from the initial Capital Contributions of the Investors or from proceeds received in connection with construction loan financing.

Real Estate Brokerage Fee (if applicable): A market-rate fee for real estate brokerage services, up to three percent (3%) on the purchase or sale of any real property held by HoldCo, depending on the asset class, representation (dual or single), and transaction size payable to Caliber Realty, LLC by HoldCo. The Real Estate Brokerage Fee may be reduced by any commissions paid by HoldCo to any third party engaged by HoldCo performing similar services.

Disposition Fee: Up to one percent (1%) of price paid on the sale of any real property held by HoldCo. The Disposition Fee (as applicable) is a one-time fee payable upon the closing of any real estate disposition by HoldCo. Any such fee paid with respect to the disposition of any real property is anticipated to be paid from proceeds received from such sale transaction. If applicable, all or a portion of the Disposition fee may be waived if the sale of the asset does not result in a profitable disposition. If a Real Estate Brokerage Fee (described above) is paid to Caliber Realty, LLC, then the Disposition Fee may be reduced by any fee paid by HoldCo as applicable.

Facilities Management Fee: Five Percent (5%) of the gross revenue of the operations of the Project's business operations. The Facilities Management Fee will be paid by HoldCo to PURE Pickleball, LLC or as assigns. It is a re-occurring, monthly fee, payable in arrears each month based on the gross revenue of each operating facility.

It is anticipated that the source of funds used to pay this fee will initially be from the Capital Contributions of the Investors and then, if available, from financing proceeds and/or operational cash flow.

The Manager or any of its affiliates may also be paid other fees as would be paid in the normal course of business, including, without limitation in connection with accounting, property management, leasing, acquisition, maintenance and contruction margin, development and disposition of the Property.

Reimbursement of Expenses: The Manager and its affiliates will be entitled to receive reimbursement for expenses incurred in the furtherance of the business activities of

	Company, FundCo, MezzCo, HoldCo, and the Property, and certain overhead expenses of the Manager as set forth in the LLC Agreement.
The Offering:	The Company may raise up to twenty two million dollars ($22,000,000) under this Offering in connection with the sale of the Units, which amount may be increased by the Manager in its sole discretion (the "*Maximum Raise Amount*"). As noted above, the expected amount of equity capital required for the FundCo to complete the Project is twenty two million dollars ($22,000,000). This amount may be raised exclusively by the Company, or by one or more other entities (which may or may not be affiliated with Caliber). The individual minimum subscription for the Units is One Hundred Thousand Dollars ($100,000), unless otherwise waived by the Manager. When deciding to waive a minimum subscription amount requirement, the Manager may make such determination in its sole and absolute discretion. Subscriptions are subject to acceptance or rejection by the Manager, in the Manager's sole and absolute discretion. Rejected subscriptions and subscription funds will be returned to subscribers without interest promptly following rejection The individual minimum subscription for Class B Units is One Hundred Thousand Dollars ($100,000), unless otherwise waived by the Manager.
Managing Broker; Private Placement Fees:	**Managing Broker Fees and Commissions:** The Company has entered into an agreement with Tobin & Company Securities LLC, a registered broker/dealer and member FINRA/SIPC ("Managing Broker"), pursuant to which the securities will be offered and sold. Please note that salespersons affiliated with Caliber (but who are licensed and managed through the Managing Broker) will receive selling commissions up to two percent (2.00%) of Capital Contributions. Other fees that will be paid to Tobin & Company Securities LLC include the following: (1) a non-refundable engagement fee of ten thousand dollars ($10,000) that was or will be paid upon execution of a placement agreement between the Company and the Managing Broker; (2) monthly non-refundable retainer fee of five thousand dollars ($5,000) (which is reduced on a dollar-for-dollar basis by any amounts paid under the placement fee (as described in item no. 3 below); and (3) a placement fee up to one percent (1.00%) of all sales of securities (based on the principal amount of the securities issued).
Company's Investment Period:	Under the LLC Agreement, the Manager will have sole power and authority to liquidate and dissolve Company, including when and how to liquidate the assets of the Company (including assets held indirectly through its subsidiaries).

Additional Capital Contributions:	No holder of Units will be required to contribute more than its agreed upon capital commitment (as set forth in the Subscription Agreement accepted by Company), except to the extent required under the LLC Agreement in connection with certain indemnification rights held by the Manager and its affiliates.
No Voting Rights:	The Units have very limited voting rights (only entitled to vote on the removal of the Manager for Cause and certain amendments to the LLC Agreement), and each such person, as a holder of Units, should consider an investment in such Units as a passive investment, with no rights to direct the actions, policies and decisions of Company and HoldCo. The Manager is responsible for all management decisions of Company, MezzCo, FundCo, HoldCo, and the Project.
Removal of Manager:	The Manager may be removed upon the occurrence of "Cause" (as defined in the LLC Agreement) and the vote of the holders of at least 75% of the outstanding Units, voting as a single class.
Amendments to the LLC Agreement:	The Manager will be permitted to amend the LLC Agreement, without requiring any Investor consent so long as such amendment would not materially, disproportionately and adversely affect such Investor. Amendments to the LLC Agreement are deemed not to materially, disproportionately, or adversely affect any Investor which are necessary to (i) correct a typographical error, correct any manifest error, and correct, clarify or supplement any provision which may be inconsistent with any other provisions; (ii) reflect the authorization and issuance of any additional classes of units; (iii) reflect any amendments, changes, modifications, clarifications, or any additional guidance or other requirements enacted or issued (whether proposed, temporary, or final) with respect to (A) the Opportunity Zone Provisions, (B) the qualification of the assets of Company, including any Company subsidiary or Company affiliate, or (C) any other technical requirements with respect to the Opportunity Zone Incentive or by the Community Development Financial Institutions FundCo; (iv) ensure that Company will not be treated as an association taxable as a corporation for federal income tax purposes, or an entity disregarded as being separate from its owner for federal income tax purposes, or to prevent Company or the Manager from in any manner being deemed an "investment company" subject to the provisions of the Investment Company Act of 1940, as amended, or in connection with qualifying Company to permit limited liability under the laws of any state or other jurisdiction or to prevent Company or any Investor from being materially and adversely affected because of legal restrictions applicable to any Investor or to Company; (v) satisfy any requirements, conditions, guidelines or opinions contained in any opinion, directive, order, ruling or regulation of the Securities and Exchange Commission, the Internal Revenue Service or

any other U.S. federal or state or non U.S. governmental agency, or in any U.S. federal or state or non U.S. statute, compliance with which the Manager deems to be in the best interests of Company; (vi) reflect the election, removal, or resignation of a Manager; (vii) reflect any amendment made to any limited liability company agreement of Company to the extent applicable and/or permitted by the relevant agreement and any Side Letters; (viii) cause the Investor Register to be amended; or (ix) to cause this Agreement, Company or the activities of Company to be in compliance with any terms, conditions or requirements of any financing or refinancing Company indebtedness or loan associated with all or any portion of Company's assets.

Capital Accounts: Company will establish and maintain on its books a capital account ("*Capital Account*"), for each Investor, into which their capital contribution(s), will be credited and in which certain other transactions will be reflected.

Allocation of Income; Gain, Loss, and Certain Credits: Income, expense, gain and loss of Company will generally be allocated to the Investors in accordance with the LLC Agreement, which is attached to this Memorandum. These allocations are in accordance with standard allocations provisions.

Indebtedness (Construction and Permanent): *See Appendix B* (Confidential Investment Overview & Executive Summary).

Fiscal Year: The fiscal year of Company shall end on December 31 of each year (each a "*Fiscal Year*"), which Fiscal Year may be changed by the Manager, in its sole and absolute discretion.

Reports to Investors: Books and Records. Each Investor will have the right, at any reasonable time, to access, inspect and copy the contents of certain books and records of Company which are listed in Section 9.1 of the LLC Agreement.

Annual Report and Financials. With a reasonable period after the end of each fiscal year, the Manager will prepare and deliver to each Investor an annual report containing a balance sheet dated as of the last date of the fiscal year just then ended and statement of income and expense for the fiscal year just then ended.

Quarterly Report and Financials. Although not obligated to, the Manager anticipates it will mail or e-mail to each Investor an unaudited report providing narrative and unaudited summary financial snapshot information with respect to Company and the Project.

In addition, all Investors will receive the information necessary to prepare federal and state income tax returns following the conclusion of such Fiscal Year as soon thereafter as is reasonably practical.

Transferability of Units:

There is no current market for the Units. Company and the Manager do not expect that a public market will ever develop, and Company's Certificate of Formation does not require a liquidity event at a fixed time in the future. The vast majority of Company's assets will consist of the Property (held through MezzCo and HoldCo), which cannot generally be readily liquidated without impacting Company's ability to realize full value upon disposition of such asset. As a result, the Units should be considered a potentially long-term investment with limited liquidity.

Further, no Investor may voluntarily withdraw from Company and no Units in Company may be transferred without the consent of the Manager. "*Transfer*" includes any direct or indirect transfer, sale, assignment, pledge, hypothecate, or otherwise dispose of any Units in Company. Notwithstanding the above, subject to certain limitations set forth in the LLC Agreement, an Investor may at any time transfer all or any portion of its Units in Company for certain estate planning purposes.

Non-Binding Redemption Requests:

Unit Redemptions

Investors may request redemption in accordance with the terms and conditions set forth in the LLC Agreement, which may be accepted or rejected in the sole discretion of the Manager. No Investor has the right to require the redemption of all or a portion of its Units, as applicable. Furthermore, no Investor may request a redemption of its Units until eighteen (18) months after such Investor's acquisition of its Units (the "Shutout Period"), as applicable. Once an Investor has submitted a request to have its Units redeemed, such Investor may not rescind its offer, but such redemption offer shall constitute an irrevocable offer to have its Units, as applicable, redeemed.

In the event the Manager elects to redeem Units subject to a redemption request from the Investors, then such Units shall be redeemed *pro rata*, provided, however, that the Manager may, in its sole and absolute discretion, give priority first to any specific requesting Investor.

Redemptions shall be conducted at such time, in such manner and by such methodology as the Manager may determine in its sole and absolute discretion. Methodologies for redeeming Units may include, but shall not be limited to, making single redemption payments to the applicable Investors or redeeming Units incrementally over time.

All Redemptions shall be based upon the full liquidation value of the applicable Units being redeemed based upon the most recently

	performed Company valuation (as reasonably determined by the Manger using recent appraisals and BPOs) and any subsequent adjustments thereto; provided, however, that (A) with respect to any redemptions that occur within the forty two (42) months after the Shutout Period, the Class B Units shall be redeemed for 90% of their liquidation value, (B) with respect to any redemptions that occur during the period starting forty three (43) months after the Shutout Period and ending seventy two (72) months after the Shutout Period, the Class B Units shall be redeemed for 95% of their liquidation value; and (C) with respect to any redemptions that occur during the period starting seventy three (73) months after the Shutout Period and continuing thereafter, the Class B Units shall be redeemed for 97% of their liquidation value. In the event the Manager elects to make redemptions incrementally over time, it is possible such redemptions would take place over a number of months or years and, as a result, fluctuations in the Company valuation could affect the amounts to be paid pursuant to redemption. The Manager may utilize any source of proceeds to effectuate a redemption of the Units, including, but not limited to, the use of contributions from the sale of Units.
Certain Tax Considerations:	Income or gain of Company may be subject to withholding tax, income tax or other tax in the jurisdictions where investments are located. Each Investor is advised to consult its own tax advisor as to the income tax consequences of an investment in Company, including the application of state and local tax laws.
Liability of Investors:	No member of Company, including the Investors, will be personally liable for any debts or obligations of Company. Each Investor will be obligated to fulfill its respective capital commitment and other obligations set forth on and arising under the Subscription Agreement submitted by such Investor and which is duly accepted by Company. To the extent that an Investor fails to fulfill its obligations arising under the LLC Agreement and subscription agreement, Company, Manager, and non-defaulting Investors will have certain rights and recourse against the defaulting Investor.
Other Activities of Manager and its Affiliates:	Neither the Manager nor its affiliates are required to manage Company as their sole and exclusive function. Each may engage in other business activities, including competing ventures and/or other unrelated activities. In addition to managing Company, the Manager and its affiliates may establish other private investment funds in the future which employ an investment strategy similar to that of Company.
Exculpation and Indemnification:	The Manager, its affiliates, and certain other Persons will not be liable to Company and the Unit Holders for any action or inaction taken by such person, except to the extent that such action does not constitute

fraud, bad faith, gross negligence, dishonesty, or moral turpitude in its duties and responsibilities to Company.

Company is obligated to indemnify the Manager and its affiliates from any claim, loss, damage or expense incurred by such persons relating to the business of Company, except to the extent that the claim relates to one of the carve-outs described immediately above on the part of the person seeking indemnification.

Eligible Investors: In order to invest in Company, an Investor must meet certain minimum eligibility requirements, including qualifying as an "*Accredited Investor*," as defined in Section 4(a)(2) of the Securities Act of 1933, as amended (the "*Securities Act*"), and Regulation D promulgated thereunder. The Subscription Agreement sets forth in detail the definitions of an Accredited Investor. An Investor must check the appropriate places in the Subscription Agreement to represent to Company that it is an Accredited Investor in order to be able to purchase Units and submit to Company and the Managing Broker any third-party verification of such Accredited Investor status as determined needed by Company and the Managing Broker, in order to be able to purchase Units. The Manager may reject any Investor's subscription for any reason or for no reason.

Inquiries: Each Investor is invited to, and it is highly recommended that an Investor, speak with the Manager for a further explanation of the terms and conditions of this Offering and to obtain any additional information necessary to verify the information contained in this Memorandum, to the extent the Manager possesses such information or can acquire it without unreasonable effort or expense. Requests for such information should be directed to:

Pickleball at Riverwalk Opportunity Zone Fund, LLC
8901 E. Mountain View Road, Suite 150
Scottsdale, Arizona 85258
Telephone: 480-295-7600

RISK FACTORS

Investment in the Units involves risk, including the risk of a complete loss of the investment and the general economic failure of Company. The following factors should be considered carefully in evaluating an investment in the Units offered hereby. The risks and uncertainties described below are not the only ones relevant to Company. The investment described herein is speculative, involves a high degree of risk and represents an illiquid investment. An Investor should be able to bear the loss of the Investor's entire investment. You are urged to read this Memorandum and the attached appendices (including the LLC Agreement) and consult with your own legal, tax, and financial advisors before investing in Company. In certain applicable circumstances, "Company" may refer to or include its affiliates, including Manager, FundCo, HoldCo, and MezzCo. Reference to "Investors" in the below risk factors means the members of Company, except with respect to certain tax disclosures, whereby "Investors" is limited to the Class B Members of Company.

RISKS RELATING TO INCOME TAX MATTERS

Introduction

The following is a summary (the "*Summary*") of certain U.S. federal income tax consequences of an Investor who is an individual citizen of the U.S. or resident alien (as defined in United States Department of the Treasury Regulations (the "*Treasury Regulations*") Section 301.7701(b)-1) for investing in Units in the Company. This summary is very limited, and does not purport to address all material tax consequences of the ownership of Units and, except as otherwise specifically provided below, the discussion below assumes that a Class B Member is an individual citizen of the United States or resident alien (as defined in Treasury Regulations Section 301.7701(b)-1) and generally does not take into account the specific circumstances of any particular Class B Member, such as dealers in securities or currencies, traders in securities, banks, tax-exempt organizations, life insurance companies, trusts, corporations or non-resident alien individuals. In addition, very limited information regarding state and local taxes is provided. Although the Company will furnish the Class B Members with such information regarding the Company as is reasonably required for income tax purposes, each Class B Member will be responsible for preparing and filing such Class B Member's own tax returns.

The following summary of the tax aspects is based on the Internal Revenue Code of 1986, as amended (the "*Code*"), on existing Treasury Regulations, and on administrative rulings and judicial decisions interpreting the Code as in effect at the time this Summary was drafted. Significant uncertainty exists regarding certain tax aspects of limited liability companies (treated for income tax purposes as partnerships). Such uncertainty is due, in part, to continuing changes in U.S. federal tax laws that have not fully been interpreted through Treasury Regulations or judicial decisions. Please note that this Section labeled "*Material U.S. Federal Income Tax Considerations of Acquiring and Holding Limited Liability Company Interests*" does not take into account many of the changes made by the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) enacted on March 27, 2020, or any of the provisions in the recently enacted Inflation Reduction Act of 2022 or the Infrastructure Investment and Jobs Act.

Tax legislation, including as a result of the budget reconciliation process, may be enacted in the future that will affect the Company and a Class B Member's investment in the Company. Because the tax aspects of this Offering are complex and certain of the tax consequences may differ depending on individual tax circumstances, each Class B Member is urged to consult with and rely on its own tax advisor about this Offering's tax aspects and its individual situation.

This summary is a general income tax summary and is not supposed to take into account the Opportunity Zone Provisions (except where specifically mentioned), and this summary is in addition to the summaries labelled "*Description of the Qualified Opportunity Zone Incentive*" and "*Opportunity Zone Incentive Risk Factors for an Investment in the Company*".

The Company has not obtained and does not intend to obtain an opinion of counsel with respect to this summary of tax matters. In addition, no rulings have been or will be requested from the Internal Revenue Service (the "*IRS*") with respect to the matters discussed herein. Therefore, there can be no assurances that the IRS or any other governmental agency or taxing jurisdiction will agree with the statements set forth below.

Investors should consult their own tax advisors concerning their situations and the impact which their participation in the Company may have on their federal income tax liability as well as how state, local and foreign income, and other tax laws may apply to their participation and the implications those laws may have. In evaluating an investment in the Company, a Class B Member should take into account the cost of obtaining such advice.

The Company is not structured with the intent of generating tax losses and no Class B Member should invest in the Company with the expectation of using losses from the Company's activities to offset income from any other source.

The following discussion does not specifically discuss the tax consequences to the Class B Members of the Company's investment in other limited liability companies and/or partnerships. Investors should consult their tax advisors with respect to such tax considerations.

Tax Status of the Company

Classification of the Company as a Partnership

Subject to certain exceptions, a partnership generally incurs no U.S. federal income tax liability. Instead, the partners are required to take into account their respective distributive shares of the partnership's net income or loss, as well as their respective distributive shares of certain specially characterized items (e.g., capital gains and losses), in computing their respective income tax liability. In such a case, distributions by a partnership to a partner generally are not taxable unless the distributions exceed the partner's adjusted basis in such partner's interest in the partnership. The availability to the Class B Members of most of the tax treatment described in this summary requires that the Company be classified as a partnership for U.S. federal income tax purposes rather than an association taxed as a corporation, under the U.S. federal income tax laws.

Although the Manager does not plan to request a ruling from the IRS regarding the Company's status, it is anticipated that the Company will be treated as a partnership for U.S. federal income tax purposes. Still, there is no assurance that the IRS will not challenge such

classification.

If a partnership were to be treated as a corporation for U.S. federal income tax purposes, its partners would be treated as shareholders of a corporation, with the result, among other things, that (i) items of income, gain, loss, deduction and credit of the partnership would not flow through to its partners for reporting on their individual U.S. federal income tax returns, (ii) cash distributions, if any, would be treated as distributions by a corporation in respect of its stock, and such distributions would be taxable to the partners as dividends to the extent of current and accumulated earnings and profits of the partnership, and (iii) the taxable income of the partnership would be subject to U.S. federal income tax on corporations (thereby reducing the cash available for distribution).

The discussion that follows is based on the assumption that the Company will be classified as a partnership and not as a corporation for U.S. federal income tax purposes.

Classification of the Company as a Publicly Traded Partnership

Code Section 7704 treats certain so-called "publicly traded partnerships" ("*PTPs*") as corporations for U.S. federal income tax purposes. Consequently, the treatment of an entity as a partnership for U.S. federal income tax purposes is dependent on that entity not being classified as a PTP. It is intended that the Company will be operated in a manner that it will not be treated as a PTP. The Company does not plan to request a ruling from the IRS regarding whether the Company may be treated as a PTP. Consequently, it is not possible to state with complete assurance that the Company will be treated as a partnership and not as an association taxable as a corporation for U.S. federal income tax purposes.

Taxation of Partners.

Tax Consequence of Ownership of Units

No U.S. federal income tax is generally paid by a partnership as an entity. Instead, each member is required to report on its income tax return its distributive share of a partnership's income, gain, loss, deduction, or credit (and items of tax preference), regardless of whether any actual distribution is made to that partner during the taxable year. Thus, a prospective Class B Member may be liable for income taxes with respect to ownership of Units in the Company without receiving a corresponding distribution from the Company. Although the Company LLC Agreement provides for a tax distribution to the Class B Members, it is in the Manager's sole and absolute discretion whether to make such a distribution, and there is no guarantee that the Company will have net available cash flow to make such distributions. Therefore, the Class B Members may be required to recognize tax from taxable income in excess of cash distributions from the Company, causing such Class B Members to pay "out-of-pocket" any related tax liability. Accordingly, each Class B Member should consult with the Class B Member's tax advisor regarding the impact of an investment in the Company, specifically including the possibility that such Class B Member may incur a tax liability with respect to such investment but may not receive corresponding distributions from the Company with which to pay such tax liability.

Conversely, as discussed below with respect to cash distributions, actual (or constructive) distributions of money from a partnership will be taxable only to the extent that such distributions

exceed the adjusted basis of the Class B Member's interest in the Company, regardless of whether the Company has current income. The characterization of an item of income or loss generally will be the same for the Class B Members as it is for the Company. Again, this summary does not take into account the Opportunity Zone Provisions (except where specifically mentioned). You should review the summaries labelled "*Description of the Qualified Opportunity Zone Incentive*" and "*Opportunity Zone Incentive Risk Factors for an Investment in the Company*".

Tax Basis of the Units

A Class B Member's basis in its Units initially will be equal to the amount of cash or the tax basis of property contributed to the Company by such Class B Member; provided, however, a Class B Member's initial basis with respect to the Units it acquires in exchange for a cash contribution to the Company related to a Qualifying Investment will be zero – See section entitled "*Description of the Qualified Opportunity Zone Incentive*".

Subsequently, a Class B Member must adjust its basis to reflect certain Company transactions. A Class B Member's basis will generally be increased by (i) any cash or the tax basis of property contributed to the Company by that Class B Member (except as noted above), (ii) that Class B Member's distributive share of the Company's taxable income, (iii) that Class B Member's share of the Company's recourse debt, if any, with respect to which that Class B Member bears the economic risk of loss, and (iv) that Class B Member's distributive share (based on that Class B Member's ongoing interest in the Company profits) of any Company indebtedness with respect to which no Class B Member, including the Manager, bears the economic risk of loss ("*non-recourse debt*"), but which increase will be limited to the fair market value of the property securing such indebtedness. A Class B Member's basis will be decreased, but not below zero, by (i) the amount of that Class B Member's distributive share of items of Company loss and deduction, (ii) the amount of any money distributed, or constructively distributed, to that Class B Member, and (iii) the adjusted basis of distributed property other than money, to that Class B Member.

A reduction in the amount of a Class B Member's share of Company debt will be treated as a constructive cash distribution to that Class B Member and will reduce the basis of that Class B Member's Units in the Company. Also, the occurrence of an Inclusion Event will increase a Class B Member's basis in Units representing a Qualifying Investment – see section entitled "*Description of the Qualified Opportunity Zone Incentive*."

Cash Distributions.

Under Code Section 731, cash distributions by the Company to a Class B Member will not result in taxable gain to that Class B Member unless the distributions exceed the Class B Member's adjusted basis for its Units, in which case the Class B Member will recognize gain in the amount of such excess. Note that a Class B Member's initial basis with respect to the Units it acquires in exchange for a cash contribution to the Company related to a Deferred Gain will be zero – See section entitled "*Description of the Qualified Opportunity Zone Incentive*."

A reduction in a Class B Member's share of the Company's non-recourse debt or of any Company recourse debt for which such Class B Member may bear ultimate liability will be treated as a cash distribution to such Class B Member to the extent of such reduction. If a constructive distribution exceeds a Class B Member's adjusted basis in such Class B Member's Units at that

time, such Class B Member will recognize gain as described above. This could also result in an Inclusion Event with respect to a Qualifying Investment – see section entitled "*Description of the Qualified Opportunity Zone Incentive."*

If a distribution to a Class B Member, or the amount of any decrease in the Class B Member's share of the Company's indebtedness (any such decrease being considered a constructive cash distribution), exceeds the Class B Member's adjusted tax basis in the Class B Member's Units, such income would normally be characterized as a capital gain. If the Class B Member's Units have been held for longer than one year, any such gain would generally constitute long-term capital gain. However, a Class B Member may recognize ordinary income under Code Section 751 under certain circumstances. Such ordinary income would generally equal the amount of ordinary income (if any) that would have been allocated to the Class B Member in respect of the Class B Member's Units if the Company had sold all of its assets.

Allocations of Income and Losses.

Under Code Section 704(b), a partner's distributive share of income, gain, loss, or deduction (or any item thereof) will be determined in accordance with the LLC Agreement only if such allocation has "substantial economic effect." In determining whether an allocation has substantial economic effect, the principal considerations are (i) whether the allocation actually affects the eventual amount of money or other property allocable to a partner, (i.e., it has economic effect), without regard to tax consequences, and (ii) whether the effect described in (i) is substantial. Further, the test for determining whether economic effect of an allocation is substantial is extremely complicated. There are a couple of alternatives for an allocation to meet the test for economic effect. An allocation to a Class B Member will meet the economic effect test when (i) the Class B Members' capital accounts are maintained in accordance with the requirements of the Treasury Regulations, (ii) liquidating distributions are made in accordance with positive capital account balances, (iii) the allocation does not create (or increase) a deficit balance in the Class B Member's capital account in excess of the amount that the Class B Member's obligation to restore a deficit, and (iv) the LLC Agreement has a qualified income offset. If an allocation under the LLC Agreement does not have substantial economic effect, then the IRS will reallocate profits and losses among the Class B Members in accordance with their interests in the Company, determined by taking into consideration all facts and circumstances.

The Treasury Regulations require special rules for allocations of deductions and losses attributable to non-recourse liabilities. The Class B Members should consult with their own independent tax advisors relating to the special rules for allocations of deductions and losses attributable to non-recourse liabilities.

The Company's liquidating distributions will not be made in accordance with positive capital account balances, but rather based on the distribution as set forth in the LLC Agreement. Thus, the LLC Agreement does not comply with the substantial economic effect requirements. As such, it is intended that allocations will be consistent with the Class B Members' interest in the Company. There is no assurance that the IRS will not set aside the allocations of income and loss by the Company for U.S. federal income tax purposes.

In cases where the allocations of income, gain, loss, or deduction do not satisfy the

substantial economic effect test of the Treasury Regulations promulgated under Code section 704(b), such items will be re-determined in accordance with the overall economic interests of the Class B Members (i.e., the "partners' interest in the partnership") -- taking into account all facts and circumstances. In such a case, the IRS will consider (i) the Class B Members' relative contributions to the Company, (ii) the interests of the Class B Members in economic profits and losses if different than that in taxable income or loss, (iii) the interests of the Class B Members in cash flow and other non-liquidating distributions, and (iv) the rights of the Class B Members to distributions of capital upon liquidation.

Tax on Net Investment Income.

The Class B Members are likely subject to a 3.8 percent (3.8%) Medicare tax, in addition to regular tax on income and gains, on some or all of their "net investment income" to the extent they meet certain requirements. "Net investment income" generally includes net income from interest, dividends, annuities, royalties, rents, and substitute interest and dividend payments that do not rise in the ordinary course of a trade or business, and net gains on the disposition of property other than property held in a trade or business. "Net investment income" includes net income from a trade or business, and net gains realized on the disposition of property held in a trade or business, that is a passive activity with respect to a taxpayer. Where the trade or business is operated at the entity level with respect to a pass-through entity, the determination of whether gross income is derived in a passive activity is made at the equity holder (i.e., partner) level. Class B Members should consult their tax advisors regarding the applicability of this tax in respect of their ownership of Units in the Company. However, to the extent that a Class B Member is subject to self-employment tax, the tax on net investment income should not apply.

Certain Limitations on the Deductibility of Losses and Expenses.

Various provisions of the Code may apply to restrict the deductibility of capital and ordinary losses realized, or expenses incurred, by the Company. For example, the ability of the Class B Members (other than widely held corporations) to deduct their shares of any losses attributable to the Company may be subject to the "passive activity loss" limitations of the Code, the "at risk" limitations of the Code, and the Code provisions for "excess business losses of noncorporate taxpayers".

Additionally, Code Section 704(d) prohibits a Class B Member from claiming partnership losses in excess of the Class B Member's adjusted basis in its partnership interest. This limitation will apply to both individual and corporate Class B Members. This limitation is critical with respect to the Opportunity Zone Incentive because a Class B Member's initial basis in his or her Units representing a Qualifying Investment will be zero. See section entitled "*Description of the Qualified Opportunity Zone Incentive.*"

Income and Losses from Passive Activities.

Passive activity limitations of Code Section 469 impose certain restrictions on the ability of noncorporate taxpayers, as well as certain closely held subchapter C corporations and personal service corporations, to deduct losses and credits from passive activities. In general, a passive activity is a trade or business activity in which a taxpayer does not materially participate. The trade or business activity of leasing is treated as a passive activity. Code Section 469 generally

provides that losses and credits from a passive activity may be used only to offset income from other passive activities, but not portfolio income. Conversely, income from a passive activity generally may be offset by losses and credits from other passive activities and from an "active" business. However, with respect to certain closely held subchapter C corporations, passive losses and net income from an active business may be offset against each other. Class B Members should consult their own tax advisors concerning the application of the passive activity rules.

Application of At-Risk Limitations.

Generally, the losses that a taxpayer can claim in certain activities are limited by Code Section 465 to the amount that the taxpayer has at risk with respect to such activities. Losses that are disallowed in any year because of the at-risk limitations are carried over to succeeding years and can be used in those years to the extent that the Class B Member's at-risk amount has increased. A taxpayer is considered to be at risk in any activity with respect to (i) the net amount of money and the adjusted basis of property contributed by the taxpayer to the activity; and (ii) any amount borrowed with respect to the activity to the extent that: (a) the taxpayer is considered personally liable for the repayment of that amount; or (b) the net fair market value of the taxpayer's interest in the assets not used in the activity which he has pledged as security for such borrowed amount. A taxpayer's at-risk amount is increased by profits earned in the activity and decreased by losses occurring in the activity. Class B Members should consult their own tax advisors concerning the application of at-risk rules.

Separate at-risk rules under Code Section 49 apply to certain tax credits. These rules can reduce the amount of the potential tax credits (if any) available to the Members.

Excess Business Losses of Noncorporate Taxpayers

Code Section 461(l) provides that a noncorporate taxpayer is not allowed to claim a deduction for excess business losses. An "excess business loss" (an *"EBL"*) is the excess, if any, of: (1) the taxpayer's aggregate deductions for the taxpayer's trade or businesses, determined without regard to whether or not such deductions are disallowed for such tax year under the EBL limitation and any deduction allowable for NOLs or qualified business income; over (2) the sum (x) the taxpayer's aggregate gross income or gain for the tax year from such trades or businesses, plus (y) $250,000. Currently, the previous mentioned provisions in Code Section 461(l) apply to taxable years that begin before January 1, 2027.

Code Section 461(l) is applied after the application of the passive loss rules. Accordingly, deductions attributable to a passive activity are included in determining a taxpayer's EBL to the extent Code Section 469 allows them to be included in determining taxable income for the taxable year. With respect to a pass-through entity, the limitation is applied at the partner or shareholder level. Any excess business loss that is disallowed would be carried forward as a net operating loss (a "*NOL*"). NOLs are limited to offset up to 80% of the taxpayer's taxable income in a year.

Limitations in Certain Deductions.

The expenses of an individual taxpayer paid or incurred for the production of income, but not attributable to a trade or business ("*Section 212 Expenses*"), as itemized deductions, are not deductible for tax years 2018 through 2025 pursuant to the Tax Cuts and Jobs Act. After 2025,

such expenses would be deductible only to the extent that they, along with certain other "miscellaneous itemized deductions," exceed 2% of the taxpayer's adjusted gross income for that taxable year. Deductions for Section 212 Expenses are not allowed by a noncorporate taxpayer for alternative minimum tax purposes. Corporate taxpayers and tax-exempt organizations are not affected by the 2% floor.

The operating expenses of the Company, including any management fees, may be treated as Section 212 Expenses subject to the foregoing rule. Alternatively, it is possible that the Company will be required to capitalize management fees. Noncorporate Investors should consult their own tax advisors with respect to the application of these limitations.

Limitations on Interest Deductions.

Investment Interest.

Code Section 163(d) disallows a noncorporate taxpayer's deduction for "investment interest" in excess of "net investment income," as those terms are defined in Code Section 163(d). It is possible that this limitation may limit the deductibility of a noncorporate Investor's share of any interest paid by the Company (if any) and could potentially limit the deductibility of interest paid by a noncorporate Investors on indebtedness incurred to finance his or her purchase of Units.

Business Interest.

Section 163(j) limits the deductibility of business interest to no more than the sum of (i) a taxpayer's business interest income for the tax year (not including investment income), (ii) 30% of the taxpayer's "adjusted taxable income" for the tax year (not below zero), and (iii) the taxpayer's floor plan financing interest, as each is defined in Code Section 163(j). The Code Section 163(j) limitation is applied at the partnership level, shall be taken into account in determining the non-separately stated taxable income or loss of the Company and/or any Lower-Tiered Entity, and the "adjusted taxable income" of each Class B Member of the Company shall be determined without regard to his, her, or its distributive share of any items of income, gain, deduction, or loss of the Company and/or any Lower-Tiered Entity and shall be increased by his, her, or its distributive share of the Company's and/or any Lower-Tiered Entity's excess taxable income. Interest deductions denied pursuant to Code Section 163(j) shall be carried forward and treated as business interest paid or accrued in the succeeding taxable year.

The Code Section 163(j) limitation does not apply to business interest paid or accrued on indebtedness properly allocable to an "electing real property trade or business," which is any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business that irrevocably elects to be treated as an "electing real property trade or business." Any trade or business that makes an election to be an "electing real property trade or business" must use the alternative depreciation system as provided in Code Section 168(g)(1)(F), requiring depreciation of real property be taken using the straight-line method depreciation over a longer period as provided in Code Section 168(g)(2). It is unknown at this time whether any Lower-Tiered Entity will qualify to elect (or would so elect, if qualified) to be treated as an "electing real property trade or business."

Organizational and Syndication Costs.

Expenses of organizing the Company and of promoting the sale of Units in the Company (i.e., "syndication expenses," which include sales commissions (including to the Manager or its Affiliates and if any, broker-dealers), professional fees for preparing the subscription agreement and attachments, and printing costs) must be capitalized, and not deducted, by the Company.

Sale or Redemption of Units.

The sale or redemption of all or any portion of the Units by a Class B Member, who has held such Units for more than 12 months, generally should result in long-term capital gain or loss; provided, however, the Opportunity Zone Provisions could impact this result and such a sale or redemption could cause some or all of your Units to be a non-Qualifying Investment and/or cause an Inclusion Event. In certain circumstances, a portion of the gain may be treated as short-term capital gain or loss. This may occur, for instance, if the Class B Member has made additional capital contributions to the Company during the preceding 12-month period. Also, a portion of the gain may be treated as ordinary income where, for example, it is attributable to any unrealized receivables (including any property with depreciation recapture under Code Section 1245 and excess depreciation recapture under Code Section 1250) or inventory items of the Company as defined in Code Section 751. Except as otherwise described in the sections labelled "*Description of the Qualified Opportunity Zone Incentive*" and "*Special Disclosure: Opportunity Fund Exit and Interim Gains Issue*", the amount of gain realized on the sale or redemption of the Units will be the amount received by the Class B Member, plus that Class B Member's allocable share of Company debt relieved, less the adjusted basis of the Units in the Class B Member's hands.

Dissolution and Liquidation of the Company.

Generally, upon dissolution and liquidation of the Company, a Class B Member will recognize, in addition to any gain that may be allocated to such Class B Member upon the sale or other disposition of Company property during the taxable year of liquidation, income to the extent that the sum of the cash which is distributed to the Class B Member and its proportionate share of any then-existing Company non-recourse liabilities exceeds its adjusted basis in its Units at the time of distribution. Please note that such dissolution or liquidation could cause some or all of your Units to be a Non-Qualifying Investment and/or cause an Inclusion Event. If any Company property other than cash is distributed to the Class B Member at such time then its basis in such property will be an amount equal to the adjusted basis of its Units reduced by any cash distributed to the Class B Member in the same transaction and reduced by any decrease in its proportionate share of non-recourse liabilities of the Company, if any. Please note that such a distribution could cause some or all of your Units to be a Non-Qualifying Investment and/or cause an Inclusion Event.

Adjustments to Basis of Assets.

The Company may make an election under Code Section 754 to adjust the tax basis of the assets of the Company in connection with a transfer of any Units in the Company and certain distributions by the Company. The Company also will generally be required, under certain circumstances, to reduce the basis of its assets in connection with certain transfers of Units and certain distributions.

Other Tax Considerations.

Tax Shelter Disclosure

Certain rules require taxpayers to disclose -- on their Federal income tax returns and, under certain circumstances, separately to the Office of Tax Shelter Analysis -- their participation in "reportable transactions" and require "material advisors" to maintain investor lists with respect thereto. These rules apply to a broad range of transactions, including transactions that would not ordinarily be viewed as tax shelters, and to indirect participation in a "reportable transaction" (such as through a partnership). Investors are urged to consult with their own tax advisers with respect to the Treasury Regulations' effect on an investment in the Company.

Tax Shelter Reporting Rules

A participant in a "reportable transaction" is required to disclose its participation in such transaction by filing Form 8886 (the "*Reportable Transaction Disclosure Statement*"), with its tax return for each taxable year in which the Company participates in a "reportable transaction." In addition, the Manager and other material advisors to the Company may be required to file Form 8264 (the "*Application for Registration of a Tax Shelter*"), containing certain information about the "reportable transaction" and comply with detailed list-maintenance requirements specified in the Code and Treasury Regulations. Additionally, each Class B Member treated as participating in a "reportable transaction" of the Company is required to file Form 8886 with its tax return. The Company and any such Class B Member, respectively, must also submit a copy of the completed form with the IRS's Office of Tax Shelter Analysis.

The Manager cannot predict whether any of the Company's transactions will subject it, the Company, or any of the Class B Members to the aforementioned requirements.

INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISERS ABOUT THEIR OBLIGATION TO REPORT OR DISCLOSE TO THE IRS INFORMATION ABOUT THEIR INVESTMENT IN THE COMPANY AND PARTICIPATION IN THE COMPANY'S ITEMS OF INCOME, GAIN, LOSS OR DEDUCTION WITH RESPECT TO TRANSACTIONS OR INVESTMENTS SUBJECT TO THESE RULES. IT IS POSSIBLE THAT THE COMPANY COULD INVEST IN A TRANSACTION THAT LATER BECOMES A LISTED TRANSACTION (A CATEGORY OF REPORTABLE TRANSACTION), WHICH IN ADDITION TO THE ITEMS ABOVE, COULD RESULT IN AN EXCISE TAX TO APPLY TO THE CLASS B MEMBERS.

In addition, pursuant to these rules, the Company may provide to its advisers identifying information about the Class B Members and their participation in the Company and the Company's items of income, gain, loss or deduction from those transactions or investments, and the Company or its advisers may disclose this information to the IRS upon its request.

Audit Risk and Resolution of Disputes Involving Company Items and Tax Liability Resulting From an Audit.

The IRS has adopted a policy of auditing, selectively, a large number of partnership information returns. In view of the IRS's audit programs, the Company's information return may be selected for audit. Further, the Company expects to file Form 8996 to self-certify (the "*Self-*

Certification") itself as a "qualified opportunity fund", and a Class B Member that desires to defer a capital gain and take advantage of the income tax benefits of the Opportunity Zone Incentive will need to make an election (the "*Taxpayer Election*") with the IRS. The Self-Certification and the Taxpayer Election could increase the likelihood of a selection of an audit on the Company and the Class B Member. It is not expected that the Company will make cash distributions to Class B Members to assist them in paying a tax liability resulting from an audit.

Recent IRS procedures apply to the Company. These new partnership audit procedures will require the Company to pay tax (including interest and penalties) on any adjustments to taxable income made as a result of an audit. The amount of tax paid by the Company will be determined without the benefit of Class B Member level tax items that could otherwise reduce tax due on any adjustment. Because the audit adjustment tax is paid by the Company, the economic burden of any such tax on the Company would fall on the Class B Members at the time the audit adjustment tax is paid. However, the Company may instead elect to pass through any audit adjustments to those who were Class B Members of the Company in the "reviewed year" to which the audit adjustment relates. If the Company were to make such election with respect to an audit adjustment, the tax burden associated with such adjustment would fall on those Class B Members who held Units in the "reviewed year" to which the audit adjustment relates.

The Code provides for one person to be designated as the "Partnership Representative" for these purposes, who is generally the person that will be responsible for handling the audit. The LLC Agreement appoints Manager as the Partnership Representative for the Company. If an entity is appointed as the Partnership Representative, then an individual still needs to be appointed by the Company as a designated individual to act on behalf Partnership Representative.

If the IRS (or any state or local taxing authority, to the extent similar audit procedures are followed by such taxing authority) audits the Company's information return for taxable years and makes any adjustments to taxable income as a result of such audit, the Partnership Representative will, at the direction of the Manager in the Manager's sole and absolute discretion, determine whether to elect to pass through any audit adjustments to those who were Class B Members of the Company in the year that was audited. If the tax liability is passed on to the Class B Members, the Company may not make cash distributions to Class B Members to assist them in paying a tax liability resulting from an audit unless otherwise determined by the Manager in its sole and absolute discretion. Each Class B Member is required to cooperate with the Partnership Representative and to take such actions as requested by the Manager in connection with such audit.

Further, if the Company is required to pay any audit adjustments assessed by the IRS or any state and local taxing authorities resulting from an audit, the Company will allocate any such tax liability among the current or former Class B Members of the Company for the "reviewed year" to which the assessment relates in a manner that reflects the current or former Class B Members' respective interests in the Company for that reviewed year based on such Class B Member's share of such assessment as would have occurred if the Company had amended the tax returns for such reviewed year and such Class B Member incurred the tax liability directly (using the tax rates applicable to the Company under Code Section 6225(b)). To the extent the Company is assessed amounts, the current or former Class B Member(s) to which this audit adjustment relates are required under the LLC Agreement to pay to the Company such Class B Member's share of the audit adjustments including such Class B Member's share of any additional accrued

penalties and interest assessed against the Company relating to such Class B Member's share of the audit adjustments. If a Class B Member does not timely pay to the Company the full amount of its share of the audit adjustment, then the shortfall will be treated as a loan by the Company to the defaulting Class B Member, bearing interest at the rate of ten percent (10%) per annum, compounded annually, and the Company may pursue several remedies as set forth in the LLC Agreement. These provisions survive the dissolution of the Company and the withdrawal of any Class B Member or the transfer or redemption of any of the Class B Member's Units.

Possible Changes in U.S. Federal Tax Laws.

Significant changes have been made in the Code in recent years and it is very possible that additional significant changes will be made in the Code in the near future. The Treasury Department's position regarding many of those changes must await publication of interpretive and legislative regulations, some of which may not be forthcoming for some time. Generally, those interpretations then will be subject to review by the courts, if taxpayers and their representatives believe the interpretations do not conform to the Code. Some Treasury Regulations, however, may have the force and effect of law, and as a result, may be beyond judicial review powers of federal courts.

The Code is also subject to further change by Congress (and interpretations of the Code may be modified or affected by judicial decisions), by the Treasury Department through changes in Treasury Regulations, and by the IRS through its audit policy, announcements, and published and private rulings. Significant tax law changes affecting the Company may be enacted by Congress. Although significant changes historically have been given prospective application, no assurance can be given that any changes made in the tax law affecting an investment in the Units would be limited to prospective effect. Accordingly, the ultimate effect on a Class B Member's tax situation may be governed by laws, regulations or interpretations of laws or regulations which have not yet been proposed, passed or made, as the case may be.

State and Local Taxes.

In addition to the U.S. federal income tax consequences described above, Class B Members should consider state and local tax consequences of an investment in the Company. The states that the Company owns, directly or indirectly, property and undertakes business may impose a tax on its assets or income, or on each Class B Member based on its share of any income derived from the Company's activities and properties in those states. Each Member will likely have an obligation to file a tax return in a state which imposes such taxes. In addition, the Company may be required to file information returns in such states or to withhold taxes on your share of the Company's profits. Also, a Class B Member's distributive share of taxable income or loss generally will be required to be included in determining its reportable income for state and local tax purposes in the jurisdiction in which he is a resident. Certain tax benefits which are available to Class B Members for U.S. federal income tax purposes may not be available to Class B Members for state and local tax purposes (such as the Opportunity Zone Incentive), and in this regard, Class B Members are urged to consult their own tax advisors. Each Class B Member should consult with such Member's own tax advisors concerning the applicability and impact of any state and local tax laws in such Member's state of residence and in any states for which the Company has activities and owns property.

Importance of Obtaining Professional Advice.

No rulings have been required from the IRS and no opinions from counsel have been obtained. No assurances can be given that the IRS will agree with the U.S. federal income tax consequences described above. Furthermore, any changes in the LLC Agreement or its operations could affect the conclusions set forth above.

The foregoing analysis is not intended as a substitute for careful tax planning. The tax matters relating to the Company and its operations are complex and subject to varying interpretations. Moreover, the effect of existing income tax laws and probable changes in such laws will vary with the particular circumstances of each Class B Member. Accordingly, each Class B Member should consult with and rely on its own advisors with respect to the possible tax consequences of an investment in the Company.

Certain Federal Income Tax Considerations Relating to the QOZ Incentive

The following is brief description of the federal income tax incentive (the "*Opportunity Zone Incentive*") described in Sections 1400Z-1 and 1400Z-2 of the Internal Revenue Code of 1986, as amended (the "*Code*"). This is not a complete description, and is subject to, and qualified in its entirety by, the actual Opportunity Zone Provisions and any guidance published by the Secretary of the Treasury (the "*Treasury*") and the Internal Revenue Service (the "*IRS*"), including the proposed regulations released by Treasury and the IRS, on October 19, 2018 (the "*First Tranche*"), on April 17, 2019 (the "*Second Tranche*"), and on April 12, 2021 (the "*Third Tranche*") (the First Tranche, the Second Tranche, and the Third Tranche are collectively referred to as the "*Overall Proposed Regulations*"), and the final regulations released by the Treasury and the IRS, on December 19, 2019, as corrected by amendments published by Treasury and the IRS on April 6, 2020 ("*First Amendment*"), and on August 2, 2021 ("*Second Amendment*") (as amended, the "*Final Regulations*").

This brief Description of the Qualified Opportunity Zone Incentive and any statement of risks is provided for informational and disclosure purposes only and is not intended to provide, and should not be relied upon for, accounting, legal, or tax advice. You should consult your own accounting, legal, and tax advisors before engaging in any transaction and prior to purchasing Units in the Company or making an investment in the Company.

This brief Description of the Qualified Opportunity Zone Incentive references and provides information related to the Opportunity Zone Provisions with respect to the Final Regulations. This is only a brief description of the Final Regulations and should not be considered as a substitute for reviewing and understanding the Final Regulations or seeking advice from a tax professional. This brief description should not be construed as providing tax advice and is subject to any additional regulations and administrative guidance from the Treasury and/or the IRS.

The Opportunity Zone Provisions are technical and complicated, and there remains uncertainty with respect to many of the Opportunity Zone Provisions in terms of interpretation and application. Failure to comply with the Opportunity Zone Provisions could result in significant penalties and interest. We have not sought a formal legal opinion as to compliance with the Opportunity Zone Provisions. No assurances can be provided that an Investor or the Company will qualify to benefit from the Opportunity Zone Provisions, or that, even if they do qualify, the tax benefits enumerated herein will be available to either of them.

The rights, preferences, and obligations with respect to the Units are set forth in the Limited Liability Company Agreement for the Company, a copy of which has been provided to you.

The Opportunity Zone Provisions provide a number of federal income tax benefits. You should consult with your tax advisor as to whether you qualify for any of the benefits and how to take advantage of such benefits.

SPECIAL OPPORTUNITY ZONE INCENTIVE DISCLOSURE: THE FINAL REGULATIONS ARE COMPLEX AND ISSUES REMAIN

The Final Regulations were released by Treasury and the IRS on December 19, 2019, and amended on April 6, 2020, and on August 2, 2021.

IT IS IMPERATIVE THAT YOU CONSULT YOUR TAX ADVISOR REGARDING THE PROVISIONS IN THE FINAL REGULATIONS TO DETERMINE THE IMPACT OF THE FINAL REGULATIONS ON THE PROJECT AND YOUR INVESTMENT. THE FINAL REGULATIONS WERE RELEASED ON DECEMBER 19, 2019, AND CONSIST OF 544 PAGES. THE FINAL REGULATIONS CAN BE LOCATED AT THE FOLLOWING WEBSITE: www.irs.gov/pub/irs-drop/td-9889.pdf. THE AMENDMENT TO SUCH FINAL REGULATIONS WERE PUBLISHED ON APRIL 6, 2020, ON AUGUST 2, 2021, AND CAN BE LOCATED AT THE FOLLOWING WEBSITES: www.federalregister.gov/d/2020-07013, and www.federalregister.gov/documents/2021/04/14/2021-06143/requirements-for-certain-foreign-persons-and-certain-foreign-owned-partnerships-investing-in.

The Final Regulations were effective on March 13, 2020, and are generally applicable to taxable years beginning after that date. However, the Final Regulations provide that taxpayers can choose early application of the Final Regulations if applied in a consistent manner for all such taxable years. Taxpayers may also choose to rely on the Overall Proposed Regulations for taxable years beginning after December 21, 2017, and on or before March 13, 2020 (the "*Transition Period*"), but only if relied upon in a consistent manner for all such taxable years. While the language in the Final Regulations provides that consistent application is necessary, it is unclear whether all taxpayers that are party to the same transaction must choose to apply the same regulations during the Transition Period. This description addresses the Final Regulations unless specifically stated otherwise.

Below is a brief description (but not a complete description) of the Opportunity Zone Incentive.

Three Income Tax Benefits

The Opportunity Zone Incentive provides the possibility of three primary income tax incentives to eligible taxpayers who timely invest in a "qualified opportunity fund" (a "*QOF*"), as defined in Section 1400Z-2(d) of the Internal Revenue Code of 1986, as amended (the "*Code*"), and meet certain requirements. First, an eligible taxpayer may elect to defer recognition to a date that is no later than December 31, 2026, on some or all of its Eligible Gains (defined below) to the extent that the taxpayer timely invests in a QOF. Second, to the extent that the eligible taxpayer's holding period in the investment in the QOF with respect to a Deferred Gain (defined below) is at least five years on or prior to the Deferred Gain Recognition Date (defined below), the amount of the deferred gain to be included in income on the Deferred Gain Recognition Date (defined below) may be reduced by up to 10% of the Deferred Gain (defined below). The reduction of the Deferred Gain, as described in the second benefit, is no longer available where a taxpayer has invested in a QOF after December 31, 2021. The third major benefit of the incentive occurs when the eligible taxpayer holds an investment in the QOF related to the Deferred Gain (defined below) for at least 10 years. The third benefit is more specifically described below in the section labelled "10-Year Benefit". There are no guarantees that an Investor will obtain any of these described income tax benefits.

First Income Tax Benefit: Deferral of an Eligible Gain

The Opportunity Zone Provisions provide that a taxpayer may generally elect to defer for federal income tax purposes some or all certain eligible gains (an "*Eligible Gain*") from the sale or exchange of property with an unrelated person by investing a certain amount not to exceed the amount of such Eligible Gain in a "qualified opportunity fund" (a "*QOF*"), as defined in Code Section 1400Z-2(d), and acquiring

a qualifying investment (a "*Qualifying Investment*"), as defined in Treasury Regulations Section 1.1400Z2(a)-1(b)(34), in the QOF during the 180-day period beginning on the date of such sale or exchange (the "*180-Day Investment Period*"), and meeting certain requirements. Generally, an Eligible Gain means a capital gain. However, you should consult your tax advisor with respect to whether a capital gain from the sale of an asset is considered to be an Eligible Gain.

The Taxpayer Election.

An eligible taxpayer may choose to make an election (the "*Taxpayer Election*") in order to defer some or all of its Eligible Gains to the extent that the taxpayer timely acquires a Qualifying Investment in a QOF.

Eligible Gains Generated by Passthrough Entities.

In the event that the taxpayer is a partner in a partnership for federal income tax purposes and such partnership has generated an Eligible Gain, it may be possible for the taxpayer partner to make the Taxpayer Election and defer a portion of the Eligible Gain that is allocated by such partnership to the taxpayer partner to the extent that such partnership has not made a Taxpayer Election with respect to such portion of the Eligible Gain. In such case, the taxpayer partner's 180-Day Investment Period does not commence until the last day of the partnership's taxable year in which the allocable share of the allocated Eligible Gain is taken into account under Code Section 706(a). The taxpayer partner can also elect to commence its 180-Day Investment Period on (1) the same day as the partnership's 180-Day Investment Period, or (2) the due date for the partnership's tax return, without extensions, for the taxable year in which the partnership realized the Eligible Gain. Similar rules may apply with respect to other pass-through entities such as S corporations, nongrantor trusts, and decedent's estates. You should discuss this with your tax advisor.

Eligible Gains from the Sale of 1231 Property.

A gain recognized from the sale or exchange of property described in Code Section 1231(b) ("*1231 Property*") is an Eligible Gain to the extent the gains exceeds the amount of the gain with respect to 1231 Property that is treated as ordinary income under Code Section 1245 or 1250. 1231 Property generally means either depreciable property held for more than one year that is not inventory, or real property held in a trade or business for more than one year. However, the Final Regulations provide that the loss recapture provisions in Code Section 1231(c) continue to apply and will apply when the Deferred Gain (defined below) is subsequently included in the taxpayer's income (as discussed below), either on December 26, 2026, or upon the occurrence of an Inclusion Event (defined below). This is an area where you need to consult with your tax advisor.

Qualifying Investment in a QOF.

A Qualifying Investment generally means an Eligible Interest (defined below), or portion thereof, in a QOF, to the extent that a Taxpayer Election applies with respect to such Eligible Interest (defined below) or portion thereof. An Eligible Interest in a QOF means an equity interest issued by the QOF, including preferred stock or a partnership interest with special allocations.

An Eligible Interest that is not a Qualifying Investment (a "*Non-Qualifying Investment*") could, in addition to other items, be the result of an investment in a QOF that does not relate to an Eligible Gain or where a Taxpayer Election has not been effectively made with respect to such an investment. An Eligible Interest in a QOF that is a Qualifying Investment can cease to be a Qualifying Investment upon and to the extent of an Inclusion Event (defined below). However, the Final Regulations provide limited exceptions

where an Inclusion Event (defined below) does not cause a Qualifying Investment to cease its status.

Debt Financed Distributions.

There are circumstances where a distribution made to a taxpayer that is a partner in a QOF partnership can cause all or a portion of such taxpayer's Qualifying Investment in the QOF to be treated as a Non-Qualifying Investment. This is possible where the proceeds from the distribution are from a refinancing of debt by the QOF or the OZB.

The Final Regulations modify the partnership disguised sale rules in determining whether a distribution has the effect of the recasting all or a portion of the taxpayer's contribution to the QOF as a Non-Qualifying Investment. In particular, the Final Regulations apply the partnership disguised sale rules by treating the contributed cash from the taxpayer to the QOF as a contribution of noncash property and the taxpayer's allocation of the partnership debt as being zero (the "*Modified DS Rules*"). Generally, this means that any distribution of debt financed proceeds to the taxpayer by the QOF within two years from the making of the cash contribution by the taxpayer would be presumed to be a disguised sale under the modified rules for purposes of the Opportunity Zone Provisions, but subject to a rebuttable presumption. As a result, all or a portion of the taxpayer's interest in the QOF partnership would be recharacterized as being a Non-Qualifying Investment from the date of the original contribution.

Bifurcation of a Qualifying Investment and a Non-Qualifying Investment.

A Non-Qualifying Investment shall be treated as a separate investment in the QOF for the taxpayer that is not entitled to the income tax benefits related to the Opportunity Zone Incentive. A taxpayer can have a bifurcated investment where a portion of the investment is a Qualifying Investment and the other portion of the investment is a Non-Qualifying Investment.

Second Income Tax Benefit: Tax Basis Increase in a Qualifying Investment

The taxpayer's initial income tax basis in his or her Units representing a Qualifying Investment by the taxpayer in the Company shall be zero (0). To the extent that the taxpayer has held such Units representing a Qualifying Investment for at least five (5) years, the taxpayer's income tax basis in such Units representing a Qualifying Investment shall be increased by ten percent (10%) of the Deferred Gain (defined below). To the extent that the taxpayer has held such Units for at least seven (7) years, the taxpayer's income tax basis in such Units representing a Qualifying Investment shall be increased by an additional five percent (5%) of the Deferred Gain (defined below). As stated below, the taxpayer will eventually be subject to income on the Deferred Gain (defined below). To the extent that the taxpayer has obtained a tax basis increase at the time that the taxpayer is subject to income, the amount of the income related to the inclusion of the Deferred Gain should be reduced resulting in the second income tax benefit for the taxpayer. However, any investment in QOF after December 31, 2021, representing a Qualifying Investment, will not result a reduction of the amount of the income related to the inclusion of the Deferred Gain.

The taxpayer's initial income tax basis in his or her Units representing a Non-Qualifying Investment by the taxpayer in the Company shall be the amount of cash the taxpayer contributed for the Units representing a non-Qualifying Investment.

Third Income Tax Benefit: The 10-Year Benefit

After holding a Qualifying Investment for at least ten (10) years (the "*10-Year Holding Period*"), it may be possible for a taxpayer to reduce all (or a portion) of the gain (the "*10-Year Benefit*") for federal

income tax purposes upon a direct or indirect disposition of its Qualifying Investment in a QOF. Where the QOF is treated as a partnership for federal income tax purposes, there are two possibilities for a taxpayer to avail itself of the 10-Year Benefit once the taxpayer achieves the 10-Year Holding Period: (1) a sale or exchange of the taxpayer's Qualifying Investment (an "*Entity Sale Exit*") in the QOF, or (2) a sale or exchange of assets (an "*Asset Sale Exit*") held by either the QOF partnership, or an OZB that is also treated as a partnership for federal income tax purposes, to the extent that the gains are allocated to the Qualifying Investment held by the taxpayer. Under the Asset Sale Exit, the exclusion does not apply to the extent of any gains or losses from the sale of inventory in the ordinary course of business. Further, under the Asset Sale Exit, any losses are excluded to the extent allocated to the Qualifying Investment. It should be noted that in order to receive the 10-Year Benefit, an eligible taxpayer is required to make an election as described in the Final Regulations (the "*10-Year Election*"), and that the 10-Year Election cannot be made more than once with respect to proceeds from a specific gain as a result of an Asset Sale Exit.

Inclusion Events and December 31, 2026

The Deferred Gain will result in Income to the Taxpayer.

The amount of Eligible Gain that is deferred by the taxpayer (the "*Deferred Gain*") will be required to be included in income upon the earlier (the "*Deferred Gain Recognition Date*") of the following (1) December 31, 2026, or (2) the date of an occurrence of an Inclusion Event (defined below).

Inclusion Events - Generally.

The following events are generally Inclusion Events (and such list is not an exclusive list):

- An event that reduces an eligible taxpayer's direct equity interest for federal income tax purposes in the Qualifying Investment in the QOF (i.e. a sale of a Qualifying Investment).

- An eligible taxpayer claims a worthlessness deduction with respect to its Qualifying Investment.
- The QOF loses its status as a QOF, ceases to exist for federal income tax purposes, or the QOF is decertified whether voluntary or involuntary.

The Final Regulations also provide that an Inclusion Event occurs when and to the extent that a transaction has the effect of reducing the amount of remaining Deferred Gain of a taxpayer.

Transfers of a Qualifying Investment by Gift or Pursuant to Divorce.

Generally, a transfer of a Qualifying Investment by gift is treated as an Inclusion Event. Further, a transfer of a Qualifying Investment pursuant to a divorce is generally treated as an Inclusion Event.
Distributions by a QOF Partnership.

The Final Regulations provide that an actual or deemed distribution of property (including cash) by a QOF partnership to a partner with respect to the partner's Qualifying Investment is an Inclusion Event only to the extent that the distributed property has a fair market value in excess of the basis of the partner's Qualifying Investment (an "*Excess Partnership Distribution*"). The Final Regulations provide that an Inclusion Event resulting from an Excess Partnership Distribution does not prevent the QOF partner from making the 10-Year Election with respect to the QOF partner's Qualifying Investment. Generally, although not free from doubt, the making of the Excess Partnership Distribution (and the resulting Inclusion Event) does not cause a QOF partner's Qualifying Investment to become a Non-Qualifying Investment, unless the Modified DS Rules apply.

It is possible that a change in a partner's allocation of the QOF debt (perhaps as a result of the issuance of Units to a Member) that results in a deemed distribution could cause an Inclusion Event.

The Amount of the Inclusion with Respect to Partnerships

Deferred Gain Recognition Amount.

The Final Regulations provided that, except in the case of Inclusion Events resulting from Excess Partnership Distributions from a QOF partnership, the amount of Deferred Gain included in the gross income of the taxpayer (the "*Deferred Gain Recognition Amount*") as a result of an Inclusion Event involving a Qualifying Investment, or on December 31, 2026, with respect to any remaining Deferred Gain, shall be equal to the lesser of:

(1) the product of

(a) the percentage of the Qualifying Investment that gave rise to the Inclusion Event, and

(b) the remaining Deferred Gain, less any basis increases as result of holding the Qualifying Investment for five years (10% of the Deferred Gain) and seven years (an additional 5% of the Deferred Gain); or

(2) the gain that would be recognized in a fully taxable disposition at fair market value of the Qualifying Investment that gave rise to the Inclusion Event.

Excess Partnership Distributions.

The Final Regulations provided that, in the event of a QOF partnership making a distribution to its partners with respect to a Qualifying Investment resulting in an Inclusion Event because of an Excess Partnership Distribution, the Deferred Gain Recognition Amount is equal to lesser of: (1) the remaining Deferred Gain, or (2) the amount that gave rise to the Inclusion Event. It should be noted that Investors that acquire Qualifying Investments in the Company, after December 31, 2019, will not achieve seven (7) year holding periods in their Qualifying Investments (and Investors that acquire Qualifying Investments in the Company, after December 31, 2021, will not achieve five (5) year holding periods in their Qualifying Investments), on or before December 31, 2026, and therefore will not obtain the increase in basis in their Qualifying Investments equal to 15% (and 10%, respectively) of the Deferred Gain prior to the inclusion in income.

Issue with Regular Operating Cash Flow.

In certain cases, regular operating cash flow distributions with respect to a Qualifying Investment could result in an Inclusion Event with some or all of the remaining Deferred Gain being included in gross income of the taxpayer. This issue can arise when a taxpayer with a Qualifying Investment is not allocated any tax basis from debt held by the QOF or the OZB. You should discuss this issue with your tax advisor.

Taxpayer will have Income on Deferred Gain Prior to 10-Year Holding Period

THE TAXPAYER WILL BE REQUIRED TO INCLUDE IN INCOME THE DEFERRED GAIN RECOGNITION AMOUNT ON THE DEFERRED GAIN RECOGNITION DATE WHICH WILL BE PRIOR TO OBTAINING THE 10-YEAR HOLDING PERIOD OF THE QUALIFYING INVESTMENT. THIS MEANS THAT YOU WILL NEED TO MAKE ACCOMMODATIONS TO PAY FEDERAL,

STATE, AND LOCAL INCOME TAXES PRIOR TO SATISFYING THE REQUISITE 10-YEAR HOLDING PERIOD.

IT IS NOT CERTAIN THAT YOU WILL RECEIVE DISTRIBUTIONS FROM THE COMPANY PRIOR TO THE DEFERRED GAIN RECOGNITION DATE IN AN AGGREGATE AMOUNT THAT IS EQUAL OR GREATER THAN THE AMOUNT OF YOUR FEDERAL, STATE, AND LOCAL INCOME TAX LIABILITY RELATED TO THE DEFERRED GAIN RECOGNITION AMOUNT. YOU SHOULD DISCUSS THE AMOUNT OF INCOME TAX THAT YOU MAY BE SUBJECT TO ON THE DEFERRED GAIN RECOGNITION DATE WITH YOUR TAX ADVISOR.

Compliance Requirements for the QOF

In order to obtain the income tax benefits described above, a taxpayer needs to invest in a QOF and obtain a Qualifying Investment in such QOF within the requisite time period. However, the entity will need to satisfy certain requirements in order to qualify as a QOF.

The 90% Requirement.

A QOF is an investment vehicle that is organized as either a corporation or a partnership for the purposes of investing in OZP, is certified as a QOF, and holds at least ninety percent (90%) (the "*90% Requirement*") of its assets in "qualified opportunity zone property", as defined in Code Section 1400Z-2(d)(2) ("*OZP*"), which is determined by taking the average of the percentage of OZP held by the QOF as measured on (1) the last day of the first 6-month period of the taxable year of the QOF, and (2) the last day of the taxable year of the QOF (each, a "*Measurement Date*"). For a corporation or partnership that will self-certify as a QOF that is first effective for a month that is not the first month of that entity's taxable year, the first Measurement Date for a new QOF is the earlier of six months each of which is in the taxable year and in each of which the entity is a QOF, or the last day of the taxable year. This means that where a calendar year QOF chooses a month after June to first self-certify as a QOF, the first Measurement Date will be December 31st.

Cash Contributed to the QOF.

Cash is not considered to be OZP under the Final Regulations. Accordingly, the QOF needs to convert a certain amount of contributed cash to OZP on or before the appropriate Measurement Date or the 90% Requirement will not be satisfied. However, under the Final Regulations, in determining compliance with the 90% Requirement, for each Measurement Date, it is an option for the QOF to exclude (the "*Cash Exclusion Option*") from the numerator and the denominator of the 90% Requirement any property that was received by the QOF as a contribution, where the contribution occurred not more than 6 months before the Measurement Date applying the Cash Exclusion Option for the 90% Requirement, and where between the fifth business day after the contribution date and such Measurement Date, the amount was continuously held in cash, cash equivalents, or debt instruments with a term of 18 months or less. Under the Final Regulations, the QOF does not need to be consistent for each Measurement Date as to whether the QOF chooses to the Cash Exclusion Option.

Penalty for Failure to Comply with the 90% Requirement.

Failure to comply with the 90% Requirement results in a penalty for each month of such failure. Code Section 1400Z-2(f) provides that since the Company is expected to be a partnership for purposes of the Opportunity Zone Provisions, the penalty shall be taken in account by the Members proportionately as part of a Member's distributive share of the Company. However, the Final Regulations provide that the failure of the 90% Requirement results in a statutory penalty for the QOF for each month of such failure.

No penalty may be imposed with respect to the failure to meet the 90% Requirement where such failure is shown to be due to reasonable cause. Note that the statutory penalty appears to be imposed for the QOF whether or not all of the interests in the QOF are Qualifying Investments or some of the interests in the QOF are Qualifying Investments.

Investments Made By the QOF

As stated above, in order to satisfy the 90% Requirement, the QOF must hold at least ninety percent (90%) of its assets in OZP.

OZP may consist of the original issuance of certain stock ("*QOZS*") or a partnership interest ("*QOZPI*") to the QOF, as further described below under the Indirect Approach, and/or certain trade or business property directly acquired by the QOF that satisfies the definition of "qualified opportunity zone business property" ("*OZBP*"), as defined in Code Section 1400Z-2(d)(2)(D), and as further described below under the Direct Approach.

The Indirect Approach

An equity contribution (the "*Indirect Approach*") by a QOF in an entity that is a domestic corporation or a domestic partnership (an "*Eligible Entity*") can be treated as OZP, as QOZS or QOZPI, if the following requirements are satisfied:

(1) in exchange for cash, the QOF acquires stock or a partnership interest issued (by original issuance, and with respect to a corporation, original issuance directly or by an underwriter) in such Eligible Entity, after December 31, 2017;

(2) such Eligible Entity was a "qualified opportunity zone business" (an "*OZB*"), as defined in Code Section 1400Z-2(d)(3), at the time such stock or partnership interest was issued to the QOF; provided, however, if such Eligible Entity is a new corporation or partnership at the time of the issuance of equity to the QOF, then instead of needing to satisfy the requirements for being an OZB on the date of such equity issuance, the entity is required to be organized for purposes of being an OZB; and

(3) during at least 90% of the QOF's holding period in the stock or partnership interest, the Eligible Entity qualified as an OZB which is determined on a semiannual basis (the "*90% OZB Holding Period*").

Safe Harbor for the 90% Requirement and the 90% OZB Holding Period.

There is a safe harbor (the "*90% Safe Harbor*") for a QOF attempting to satisfy the 90% Requirement and the 90% OZB Holding Period on each Measurement Date with respect to investments under the Indirect Approach. It is not exactly clear how the 90% Safe Harbor applies to the 90% OZB Holding Period.

Under the 90% Safe Harbor, the QOF can include on each Measurement Date, in both the numerator and the denominator for the 90% Requirement, the equity in each Eligible Entity that satisfies the requirement to be an OZB as long as such entity was an OZB for at least ninety percent (90%) of the QOF's cumulative holding period (1) beginning on the date that the QOF's self-certification was first effective, and (2) ending on the last day of the Eligible Entity's most recent taxable year ending on or before the semiannual Measurement Date of the QOF.

Also, under the 90% Safe Harbor, in the event that an entity does not satisfy the requirements to be an OZB as of the end of its last taxable year, ending on or before a semiannual testing date, the entity can

be treated as an OZB for such taxable year for purposes of the 90% Requirement and the 90% OZB Holding Period if the Eligible Entity timely corrects its failure to qualify as an OZB; provided, however, a QOF is only afforded this cure option once and it does not appear that such cure option applies to each entity owned by the QOF.

Requirements for an Eligible Entity to be an OZB.

To qualify as an OZB, the following requirements must be satisfied (the "*OZB Requirement*"). The Final Regulations provide that the OZB Requirements set forth in clauses (2) through (7) below are determined at the end of the Eligible Entity's taxable year, and the Eligible Entity's status as an OZB applies for the entire taxable year. It is still not exactly clear how and when to apply these OZB Requirements.

(1) Trade or Business Test.

The Eligible Entity must be engaged in a trade or business as defined in Code Section 162. To be engaged in a trade or business, the Supreme Court has stated that the taxpayer must be involved in the activity with continuity and regularity and the taxpayer's primary purpose for engaging in the activity must be for income or profit.

The activity of developing real property for purposes of eventually leasing such real estate is probably not considered to be a trade or business because that activity of developing a trade or business is not expected to generate a profit. The activity of leasing such developed real estate can be considered to be the engagement of a trade or business if certain conditions are satisfied. The preamble to the Final Regulations provides that the Eligible Entity attempting to qualify as an OZB is considered to be engage in a trade or business during the Safe Harbor Period (defined below). However, the Final Regulations do not make such an express statement.

(2) 70% Assets Test.

The Eligible Entity must be engaged in a trade or business in which "substantially all" of the tangible property (the "*70% Assets Test*"), owned or leased, by such entity is OZBP. With respect to the 70% Assets Test, "substantially all" means at least seventy percent (70%) under the Final Regulations. The Second Amendment provides that for start-up businesses utilizing the Working Capital Safe Harbor if the Safe Harbor Requirements treat property of the Eligible Entity that would otherwise be NQFP as being Reasonable Working Capital because of the compliance with the Safe Harbor Requirements, then the Eligible Entity is deemed to satisfy the 70% Assets Test during the Safe Harbor Periods for which the Safe Harbor Requirements are satisfied. The Second Amendment did not define "start-up businesses" for this purpose.

(3) 50% Gross Income Test.

At least fifty percent (50%) of the total gross income of the Eligible Entity must be derived from the active conduct of a trade or business of such entity in the Opportunity Zone (or in multiple Opportunity Zones) (the "*50% Gross Income Test*"). The Final Regulations provide three safe harbors for a trade or business to satisfy the 50% Gross Income Test. The Final Regulations also provide a facts and circumstances test which is not discussed here. The three safe harbors under the Final Regulations are as follows:

- At least 50% of the services performed for the trade or business (based upon the number of hours performed by employees, partners that provide services to a partnership, independent contractors, and employees of independent contractors) are performed in an Opportunity Zone during a taxable

year. Amounts paid to partners for services to the partnership are only taken into account to the extent such amounts paid are considered to be guaranteed payments under Code Section 707(c).

- At least 50% of the services performed for the trade or business (based upon the total amount paid by the entity for services performed by employees, partners that provide services to a partnership, independent contractors, and employees of independent contractors) are performed in an Opportunity Zone during a taxable year. Amounts paid to partners for services to the partnership are only taken into account to the extent such amounts paid are considered to be guaranteed payments under Code Section 707(c).

- The tangible property of the trade or business located in the Opportunity Zone and the management or operational functions performed in the Opportunity Zone are each necessary for the generation of at least 50% of the gross income of the trade or business.

(4) "*Active*" *Conduct of a Trade or Business for Real Estate.*

The Final Regulations provide that the ownership and operation (including leasing) of real property is the active conduct of a trade or business. However, "merely" entering into a triple net lease with respect to real property that is owned is not considered to be the active conduct of a trade or business. The Final Regulations provide illustrative examples involving triple net leasing. Based upon these examples, it appears that it is critical for the Eligible Entity participate in the management or operational duties with respect to the building (the "*Active Requirement*").

(5) Intangible Property Test.

A substantial portion of the intangible property of an Eligible Entity must be used in the active conduct of such business in the Opportunity Zone (the "*Intangible Property Test*"). The Final Regulations provide that the term "substantial portion" means at least forty percent (40%).

The Final Regulations provide that intangible property of an Eligible Entity is used in the active conduct of a trade or business in an Opportunity Zone, if (1) use of the intangible property is normal, usual, or customary in the conduct of the trade or business, and (2) the intangible property is used in the Opportunity Zone in the performance of an activity of the trade or business that contributes to the generation of gross income for the trade or business.

(6) Prohibition of Sin Businesses.

Under the Indirect Approach, the Eligible Entity cannot be engaged in certain trades or businesses that are considered to be "sin" businesses; provided, however the Final Regulations provide an exception as long as less than five percent (5%) of the Eligible Entity's gross income is from a "sin" business. The Final regulations also provide that an Eligible Entity cannot lease 5% or more of its net rentable square footage of real property to a sin business or five percent (5%) of the value of all other tangible property to a "sin" business.

(7) Nonqualified Financial Property.

Lastly, for each taxable year, no more than five percent (5%) of the average of the aggregate unadjusted tax bases of the property of an Eligible Entity (the "*NQFP Test*") can be attributable to "nonqualified financial property" ("*NQFP*"). The definition of "nonqualified financial property" means debt, stock, partnership interest, options, futures contracts, forward contracts, warrants, notional principal contracts, annuities, and other similar property specified in the regulations. The term "nonqualified

financial property" does not include reasonable amounts of working capital ("*Reasonable Working Capital*") held in cash, cash equivalents, or debt instruments with a term of eighteen (18) months or less, nor does the term "nonqualified financial property" include certain types of accounts or notes receivables acquired in the ordinary course of business for services rendered or from the sale of inventory.

Safe Harbor for Reasonable Working Capital Safe Harbor.

The Final Regulations provided a safe harbor for Reasonable Working Capital ("*Working Capital Safe Harbor*"). Specifically, the Working Capital Safe Harbor allows for an Eligible Entity to hold cash, cash equivalents, or debt instruments with a term of eighteen (18) months or less (collectively, "*Working Capital Assets*") and treat such Working Capital Assets as Reasonable Working Capital when the following three requirements (the "*Safe Harbor Requirements*") are satisfied:

(i) the amounts are designated in writing (the "*Working Capital Designation*") that identifies the Working Capital Assets being held for the development of a trade or business in an Opportunity Zone, including when appropriate, the acquisition, construction, and/or substantial improvement of tangible property in an Opportunity Zone;

(ii) there is a written schedule (the "*Written Schedule*") consistent with the ordinary start-up of a trade or business for the expenditure of such assets and the schedule demonstrates that the Working Capital Assets will be spent within 31 months of receipt by the business (the "*31-Month Period*" or the "*Safe Harbor Period*"); and

(iii) the Working Capital Assets are actually used in a manner that is substantially consistent with the Working Capital Designation and the Written Schedule. The written product described in clauses (i) and (ii) above is referred to as the "*Written Plan*."

The Final Regulations provide that, where the consumption of the Working Capital Assets is delayed as a result of the waiting for government action, and the application requesting such government action has been completed, the delay does not cause the entity to fail to use such assets in a manner that is "substantially consistent" with the Written Plan.

The Final Regulations provide that, if the OZB is located within a Federally declared disaster area, then the OZB may receive not more than an additional 24 months to consume its Working Capital Assets, as long as the OZB satisfies the Safe Harbor Requirements.

Subsequent Infusions.

The Final Regulations provide that in the event of subsequent infusions (the "*Subsequent Infusions*") of Working Capital Assets to the Eligible Entity that are substantial in amount, each Subsequent Infusion can qualify for a separate 31-Month Period (not to exceed an aggregate period for all cash infusions that is more than sixty two (62) months from the date of the first cash infusion) provided that each such Subsequent Infusion of Working Capital Assets independently satisfies all of the Safe Harbor Requirements, the Working Capital Assets from an expiring 31-Month Period were expended in accordance with the Safe Harbor Requirements set forth above, and each such Subsequent Infusion forms an integral part of the Written Plan covered by the initial 31-Month Period. The subsequent 31-Month Period is an additional Safe Harbor Period.

Real Property Straddling an Opportunity Zone.

For purposes of satisfying the OZB Requirements set forth above in sections (3) through (7), and

with respect to the 70% Use Test (discussed below), in the case of real property straddling an Opportunity Zone, an Opportunity Zone will be treated as the location of services, tangible property, or business functions (the "*Real Property Straddling Rule*"), if: (i) the trade or business uses the portion of the real property located both within and outside the Opportunity Zone in carrying out its business activities, (ii) the amount of real property located within an Opportunity Zone is substantial as compared to the real property located outside of the Opportunity Zone; and (iii) the real property located within an Opportunity Zone is contiguous to part, or all, of the real property located outside of the Opportunity Zone.

The determination of whether the real property located within an Opportunity Zone is substantial shall be made at the time that the real property is acquired. The real property is deemed to be located within an Opportunity Zone where either the square footage of the real property located within the Opportunity Zone is greater than the square footage of the real property located outside of the Opportunity Zone, or the unadjusted cost basis of the real property located within the Opportunity Zone is greater than the unadjusted cost basis of the real property located outside the Opportunity Zone. In these cases, the real property located in the Opportunity Zone is contiguous to all or part of the real property located outside the Opportunity Zone.

The Direct Approach

The QOF can also satisfy the 90% Requirement by directly acquiring (the "*Direct Approach*") tangible property that is considered to be OZBP. However, it is difficult for the QOF to acquire tangible property and construct a real estate project without running afoul of the 90% Requirement.

Valuation for Purposes of the 90% Requirement and the 70% Assets Test

The QOF and the OZB generally have flexibility to choose one of two particular methods to value each of its assets, owned or leased, for purposes of the 90% Requirement and the 70% Assets Test.

Financial Statement Method.

Specifically, if the QOF or the OZB has an applicable financial statement (an "*AFS*") for a taxable year, then the QOF or the OZB (as the case may be) may use for such taxable year, the value of each asset owned or leased by the QOF or the OZB (as the case may be) as reported on such entity's AFS for the relevant reporting period (the "*Financial Statement Method*"). With respect to property leased by such entity, the entity can only use the Financial Statement Method to value the leased asset if the AFS is prepared according to U.S. Generally Accepted Accounting Principles and requires an assignment of value to the lease of the asset.

Alternative Valuation Method.

The QOF may also choose to use a method called the "*Alternative Valuation Method*". Under the Alternative Valuation Method for property owned by such entity, the Final Regulations require that the QOF or the OZB (as the case may be) use the unadjusted cost basis of the asset for valuation purposes under Code Section 1012 and Code Section 1013 when the asset is acquired by purchase for fair market value or the assets are constructed for fair market value. The acquisition by the QOF of QOZS or QOZPI is treated as an acquisition by purchase by the QOF for these purposes.

However, if the QOF or the OZB has not purchased the asset or constructed the asset for fair market value, then the value of the asset is determined by using the asset's fair market value on the last day of the first six-month period of the taxable year of the entity, and on the last day of the taxable period of the entity. Under the Alternative Valuation Method for property leased by a QOF or an OZB, the value of each leased asset by such entity, as further described in the Final Regulations, is equal to the present value of the leased

property. This is determined by taking the present value of the payments under the lease as a result of using a discount rate equal to the short-term applicable federal rate, based upon semiannual compounding, and taking into account the term of the lease which in some cases should take into account the lease extension periods.

Whichever method the QOF or the OZB chooses for a taxable year, the QOF and the OZB must apply the method consistently to all assets valued for such taxable year.

Opportunity Zone Business Property

OZBP Requirements.

OZBP is tangible property used in a trade or business of the QOF or the OZB (as the case may be) that was acquired by the QOF or the OZB (as the case may be) by purchase from an unrelated person after December 31, 2017. Relatedness is based upon a complex test that incorporates certain attribution rules. Also, either (1) the original use of such tangible property in the Opportunity Zone must commence with the QOF or the OZB (as the case may be) (the "*Original Use Requirement*"), or (2) the QOF or the OZB (as the case may be) must "substantially improve" the tangible property (the "*Substantial Improvement Requirement*"). Lastly, during at least ninety percent (90%) of the QOF's or the OZB's (as the case may be) holding period for the tangible property, at least seventy percent (70%) of the use of such tangible property must be in an Opportunity Zone (the "*70% Use Test*").

The 70% Use Test.

Qualified Tangible Property.

The 70% Use Test is applied on a semiannual basis, based upon the entire amount of time the Eligible Entity has owned or leased the tangible property. On each Measurement Date, the 70% Use Test is satisfied if, during at least ninety percent (90%) of the period during which Eligible Entity has owned or leased the tangible property, the tangible property satisfies the prescribed 70% Use Test in the Final Regulations. Tangible Property used in a trade or business of an Eligible Entity satisfies the 70% Use Test if and only if the property is "qualified tangible property" ("*Qualified Tangible Property*"), as defined in Treasury Regulations Section 1.1400Z2(d)-2(d)(4).

Qualified Tangible Property is tangible property held by a trade or business to the extent, based on the number of days between two consecutive Measurement Dates, not less than seventy percent (70%) of the total utilization of the tangible property by the trade or business occurs at a location within the geographic borders of Opportunity Zones.

Real Property Straddling an Opportunity Zone.

For purposes of satisfying the 70% Use Test, the Real Property Straddling Rule can be used for determining whether real property is situated in an Opportunity Zone.

Safe Harbor for Inventory.

Inventory (including raw materials) of a trade or business does not fail to be used in an Opportunity Zone for purposes of applying the 70% Use Test because the inventory is in transit from a vendor to a facility of the trade or business in the Opportunity Zone, or from a facility of the trade or business that is in the Opportunity Zone to customers of the trade or business that are not located in an Opportunity Zone.

Safe Harbor - Moveable Tangible Property in the Rendering of Services.

Where an Eligible Entity is providing services inside and outside an Opportunity Zone and tangible property is being utilized in rendering such services, the tangible property may be treated as Qualified Tangible Property where:

- The tangible property directly generates gross income for the trade or business of the Eligible Entity inside and outside the Opportunity Zone;

- The Eligible Entity has an office or other facility located within an Opportunity Zone (an "*Opportunity Zone Office*") for such a trade or business;

- The tangible property is operated by employees of the Eligible Entity who (i) regularly use an Opportunity Zone Office for such trade or business in the course of carrying out their duties, and (ii) are managed directly, actively, and substantially on a day-to-day basis by an employee or employees of the Eligible Entity who carry out their duties at the Opportunity Zone Office for such trade or business; and

- The tangible property is not operated exclusively outside an Opportunity Zone for a period longer than fourteen (14) consecutive days for the generation of gross income for such trade or business.

Under this safe harbor, an Eligible Entity cannot treat more than 20% of its tangible property for such trade or business as Qualified Tangible Property.

Safe Harbor – Movable Tangible Property owned by a Leasing Business

Tangible property of a trade or business, the employees of which use an Opportunity Zone Office to regularly lease such tangible property to customers of the Eligible Entity for such trade or business may be treated as Qualified Tangible Property where:

- Consistent with normal, usual, or customary conduct of the trade or business, the tangible property is parked or otherwise stored at an Opportunity Zone Office of the Eligible Entity when such property is not subject to a customer lease; and

- No customer acquires possession of the tangible property under the lease for a duration (including extensions) of more than thirty (30) consecutive days.

Acquisition by Purchase or Lease.

Purchase.

Real property shall not be treated as OZBP that is purchased by a QOF or an OZB (as the case may be), if at the time of the purchase, there was a plan, intent, or expectation for the acquired real property to be repurchased by the seller of the real property for an amount of consideration other than the fair market value at such time of the repurchase. This could be an issue where an Eligible Entity acquires real property, and the Eligible Entity leases the real property back to the seller where the seller has an option to acquire the real property.

Constructed Property can be treated as Acquired by Purchase.

Where tangible property is being manufactured, constructed, or produced by a QOF or an OZB (as

the case may be) with the intent to use such property in a trade or business in an Opportunity Zone, then such property shall be treated as acquired by purchase if the manufacture, construction, or production begins after December 31, 2017, as long as the supplies used to manufacture, construct, or produce such OZBP qualify as OZBP.

Lease.

The Final Regulations provide that tangible property that is leased by an Eligible Entity can be OZBP where certain requirements are satisfied. First, the tangible property must be acquired by such Eligible Entity under a lease entered into after December 31, 2017. Second, at the time that the lease is entered into, the terms of the lease must be market rate (i.e., the terms reflect common, arms-length market practice in the locale that includes the Opportunity Zone under Code Section 482). There is a rebuttable presumption that the terms of the lease are market rate for leases between unrelated persons. Tangible property acquired by lease from a state or local government or an Indian tribal government enjoys the rebuttable presumption that the terms are market rate.

In the case of real property leased by an Eligible Entity, the leased property is not considered to be OZBP when, at the time the lease is entered into, there was a plan, intent, or expectation for the real property to be purchased by the Eligible Entity, for an amount other than fair market value of the real property determined at the time of the purchase (without regard to any prior lease payments).

Related Party Leases.

There are additional requirements for a lease of tangible property between a lessor and a related lessee. First, the lessee cannot make a prepayment in connection with the lease related to a period of use of the tangible property that exceeds 12 months. Second, with respect to leased tangible personal property, during the earlier of the last date of the lease term or the 30 month period that begins on the date that the lessee takes possession of the tangible personal property under the lease, the lessee must become the owner of tangible property that is OZBP having a value equal to or greater than the value of the leased tangible personal property. Additionally, with respect to leased tangible personal property with related parties, there is a requirement that both the leased tangible personal property and the acquired OZBP must be used substantially in the same opportunity zones.

The Original Use Requirement.

The Final Regulations provide that the original use of tangible property in an Opportunity Zone commences on the date any person first places the property in service in an Opportunity Zone for depreciation purposes (or first uses it in a manner that would allow depreciation or amortization if that person were the property's owner).

Used Tangible Property.

The Final Regulations provide that used tangible property acquired by purchase by the QOF or the OZB can satisfy the Original Use Requirement as long as the property was not previously used or placed in service in the Opportunity Zone. If the tangible property had been so used or placed in service in the Opportunity Zone before it is acquired by purchase by the QOF or the OZB, then the property must satisfy the Substantial Improvement Requirement.

Vacant Real Property.

Generally, where real property, including land and buildings, has been vacant for an uninterrupted

period of three calendar years beginning on a date after the Opportunity Zone in which the property is located was designated and the property has remained vacant through the date that the property was purchased by the QOF or OZB (as the case may be), the original use commences on the date after that period when any person first uses or places such property in service in the Opportunity Zone. Real Property, including land and buildings, is considered to be in a state of vacancy if the property is significantly unused. A building or land will be considered to be significantly unused if more than 80% of the building or land, as measured by square footage of useable space, is not currently being used.

Brownfield Sites.

Where an Eligible Entity purchases a parcel of land that is a brownfield site, the Eligible Entity may treat all property (including land and structures) comprising the brownfield site as satisfying the Original Use Requirement, if within a reasonable period of time, the Eligible entity makes investments in the site to ensure all property comprising the site meets basic safety standards for human health and the environment.

Substantial Improvement Requirement.

The Substantial Improvement Requirement requires that, during any 30-month period commencing after the acquisition date of the tangible property, additions to the income tax basis with respect to such property in the hands of the QOF or OZB (as the case may be) exceed an amount equal to the adjusted income tax basis of such property at the beginning of the 30-month period in the hands of the QOF or the OZB (as the case may be).

The Aggregation Rule.

The Final Regulations provide guidance as to the ability for the purchase of separate property by the OZB that itself would qualify as OZBP to be aggregated (the "*Aggregation Rule*") with any acquired non-original use property for purposes of making an addition to the basis to such non-original use property pursuant to the Substantial Improvement Requirement.

Under the Aggregation Rule, costs of purchased property that would otherwise qualify as OZBP may be taken into account in determining whether additions to basis of the property that have been acquired by purchase but will not be "substantially improved" itself satisfy the Substantial Improvement Requirement as long as the purchased property (1) is located in the same Opportunity Zone (or a contiguous Opportunity Zone), (2) is used in the same trade or business as the non-original use property, and (3) improves the functionality of the non-original use property. In the case of tangible property manufactured, constructed, or produced with the intent to use such tangible property in a trade or business in an Opportunity Zone, such property shall be treated as purchased property. When the Aggregation Rule is used for real property, the Eligible Entity attempting to qualify as an OZB is also required to improve such non-original use real property by more than an insubstantial amount within certain requirements. It is unclear exactly what the term "more than an insubstantial amount" means.

Eligible Building Group.

With respect to the acquisition of two or more buildings (an "*Eligible Building Group*") by the Eligible Entity located within an Opportunity Zone or a single series of contiguous Opportunity Zones, the Substantial Improvement Requirement may be determined by treating the Eligible Building Group as a single property. This means that any additions to basis of each building comprising the single property, as an Eligible Building Group, are aggregated to determine satisfaction of the Substantial Improvement Requirement.

Special Rule for the Acquisition of a Building.

The Final Regulations provided a special rule (the "*Special Building Acquisition Rule*") for real property involving land and a building. Specifically, the Final Regulations provided that where a QOF or an OZB acquires a building located on a parcel of land within the geographic borders of an Opportunity Zone, the Substantial Improvement Requirement is measured by the QOF's or the OZB's (as the case may be) additions to the adjusted basis of the building only, and there is no requirement to separately substantially improve the land upon which the building is located.

Special Rule for the Acquisition of Unimproved Land.

The Final Regulations provide a special rule that states that unimproved land within an Opportunity Zone that is acquired by purchase is not required to meet the Substantial Improvement Requirement (the "*Special Land Acquisition Rule*"). However, the Special Land Acquisition Rule does not apply where the QOF or OZB acquires unimproved or minimally improved land with the expectation, intention, or view not to improve the land by more than an "insubstantial amount" within 30 months after the date of purchase. A lack of clarity remains as to what is an "insubstantial amount" for these purposes. However, improvements to the land such as grading, clearing, remediation of contaminated land, or acquisition of related OZBP to facilitate the use of the land will be taken into account. Still, in order for such land to be OZBP, it is required to be used in a trade or business of the QOF or the OZB. For these purposes, "trade or business" means a trade or business under Code Section 162.

Anti-Abuse Rule – Land.

Treasury and the Internal Revenue Service have expressed concern that unimproved property could be used in a manner where a significant purpose of the transaction is to achieve a tax result inconsistent with the purposes of Code Section 1400Z-2 and the Final Regulations. The Final Regulations provide anti-abuse rules where the land could be recharacterized as not being OZBP and recharacterizing any gain from the sale of the land not being eligible for the 10-Year Benefit.

The Final Regulations provided an example of a transaction where an OZB acquired a tract of land located in an Opportunity Zone. At the time of the acquisition, there was no plan or intent to develop or otherwise utilize the land in a trade or business that would increase substantially the economic productivity of the land. The plan was instead to pave the land for use as a parking lot. The example provided that a significant purpose of the acquisition of the land was to sell the land at a profit and to exclude any gain from appreciation under the 10-Year Benefit. The Final Regulations recharacterized the land as not being OZBP and not eligible for the 10-Year Benefit.

The Final Regulations provided a contrasting example where the OZB acquired a tract of land that was previously used for hog and pig farming. The OZB intended to conduct sheep and goat farming activities on the land over the 10 year period, and the OZB made significant capital improvements to the land including constructing new farm structures. The OZB expected the land to increase in value and the OZB sold the land for a large gain at the end of the 10 year period. The Final Regulations provide that the modification to the land and the capital improvements made to the land are significant investments in business activities on the land. The Final Regulations determined that these activities and the later disposition of the land for a significant profit is not inconsistent with the purposes of the Opportunity Zone incentive.

General Anti-Abuse Provisions

The Final Regulations provide that if a significant purpose of a transaction is to achieve a tax result that is inconsistent with the purposes of Code Section 1400Z-2 and the Final Regulations, then the transaction (or a series of transactions) will be recast or recharacterized for federal income tax purposes as appropriate to achieve tax results that are consistent with the purposes of Code Section 1400Z-2 and the Final Regulations. Such a determination must be based upon all of the facts and circumstances.

The Final Regulations provide that the purposes of Code Section 1400Z-2 and the Final Regulations are to provide federal income tax benefits to the investors of QOFs to encourage the making of longer term investments through QOFs and OZBs of new capital in one or more Opportunity Zones and to increase the economic growth of such Opportunity Zones.

The anti-abuse provisions in the Final Regulations should be discussed with your tax advisor.

Notification Requirements

The Final Regulations impose a number of notification requirements upon a taxpayer and others with respect to a direct or indirect ownership of a Qualifying Investment, especially with respect to partnerships.

If an indirect owner of a QOF partnership sells or otherwise disposes of all or a portion of its indirect interest in the QOF partnership resulting in an Inclusion Event, then such indirect owner must provide the QOF owner notification and information sufficient to enable the QOF owner, in a timely manner, to recognize an appropriate amount of deferred gain.

A partnership that makes a Taxpayer Election must notify all of its partners of the Taxpayer Election and state each partner's distributive share of the Deferred Gain.

A QOF partner must notify the QOF partnership of the making of a 10-Year Election to adjust the basis of the Qualifying Investment in the QOF partnership disposed of or the QOF partnership's assets disposed of.

OPPORTUNITY ZONE INCENTIVE RISK FACTORS FOR AN INVESTMENT IN THE COMPANY

The Opportunity Zone Provisions are Complex.

The Opportunity Zone Provisions are technical and complicated. Code Section 1400Z was enacted on December 22, 2017, and the Final Regulations were released on December 19, 2019, and amended on April 6, 2020, and August 2, 2021. There still remains uncertainty with respect to a number of these provisions in terms of interpretation and application. Failure to comply with these provisions could result in significant penalties and interest. The risk factors set forth below are not an exclusive list of potential risks with respect to the Opportunity Zone Incentive. We have not sought a formal legal opinion as to compliance with the Opportunity Zone Provisions. No assurances can be provided that an Investor or the Company will qualify to benefit from the Opportunity Zone Provisions, or that, even if they do qualify, the tax benefits enumerated herein will be available to any of them. Investors are urged to consult with their legal and tax advisors as to compliance with the Opportunity Zone Provisions. This Offering should not be construed as providing tax advice. Terms that are not defined in this section but are defined in the section labelled "*Description of the Qualified Opportunity Zone Incentive*" should be used here.

The Final Regulations have created a number of questions that may be of a concern to you, and such questions may never be addressed in future guidance, and/or future guidance may be issued that is unfavorable to you after you have made your investment.

It is possible that important issues that could impact your investment may never be addressed in future guidance and/or future guidance will be issued that is unfavorable to you after your investment has been made. This could result in your failure to obtain the income tax benefits related to the Opportunity Zone Incentive and/or result in significant penalties for failure of the Company to satisfy the 90% Requirement.

The Cash Exclusion Option appears to have unintended negative consequences that can result in the Company's failure to satisfy the 90% Requirement.

Cash is generally not OZP. However, the Cash Exclusion Option in the Final Regulations provide that the QOF can exclude contributions of cash made within 6 months from the Measurement Date from the numerator and denominator of the 90% Requirement where certain requirements are met. The instructions to Form 8996 provide that if you exclude recently contributed property from both the numerator and the denominator of the 90% investment standard on a particular testing date, then you do not include such property in the penalty calculation for the months such property was excluded if a penalty calculation is applicable. There is still an issue that appears unsettled. In the event that the Company generates interest income from holding the excluded cash and such interest income is also held by the Company on a Measurement Date, the Cash Exclusion Option does not appear to apply to such earned interest, and this could cause the QOF to fail the 90% Requirement where the earned interest is the only asset being factored into the 90% Requirement, and it is not OZP.

The timing of the first and second Measurement Dates could result in the Company engaging in a transaction that lacks certain economics in order to avoid a penalty.

The Final Regulations provide that the Company can specify the first taxable year and the month in the taxable year in which it will be treated as a QOF. Generally, the first Measurement Date is the earlier of the end of the taxable year, or the first six months each of which is in the taxable year and in each of which the entity is a QOF. The Final Regulations provide that where a QOF chooses a month in the seventh or later month in a taxable year to commence as a QOF, the first Measurement Date will generally be the last day of the taxable year. This means that if a calendar year QOF chooses June or earlier to commence as a QOF, then as a result of the Cash Exclusion Exception, any cash contribution made by an Investor to a calendar year QOF in June would need to be converted to OZP no later than December 31st. Any cash contribution made by an Investor to a calendar year QOF in July, would need to be converted to OZP no later than June 30th of the following year. This means that a QOF does not have a significant amount of time to deploy cash obtained from Investors in order to satisfy the 90% Requirement. Accordingly, a QOF may engage in a deployment transaction with disadvantageous economic circumstances in order to avoid a penalty.

There is no certainty that the Written Plan will be complied with in a manner that qualifies for the safe harbor for Reasonable Working Capital.

To the extent that the Company has contributed cash to an Eligible Entity attempting to satisfy the requirements for an OZB (the "*Lower-Tiered Entity*") in exchange for equity in such Lower-Tiered Entity, and such entity does not use the cash in a manner that is substantially consistent with the Written Plan, then the Lower-Tiered Entity may not meet the requirements to be an OZB. In such case, the Lower-Tiered Entity will probably fail to meet the NQFP Test thereby failing to satisfy the requirements to be an OZB. As a result, the Company may not satisfy the 90% Requirement. Further, the Company and/or the Investors could be subject to a penalty and interest.

You will not have any initial income tax basis in the Units representing a Qualifying Investment. This could result in a disparity in income tax basis between your Units and your portion of the assets acquired by the Company, and could result in disadvantageous income tax consequences.

Your initial income tax basis ("*Outside Basis*") in your Units representing a Qualifying Investment will initially be zero. However, the Company or the Lower-Tiered Entity will have income tax bases in the assets that it acquires, and the Company will have an income tax basis in any equity in a Lower-Tiered Entity that is issued to the Company in exchange for a capital contribution (collectively, "*Inside Basis*"). This disparity between Inside Basis and Outside Basis could result in a number of disadvantageous income tax consequences to you. For example, this could result in a loss of a timing benefit with respect to the ability to use any of the income tax losses that are allocated by the Company to you with respect to a Qualifying Investment as compared to your ability to timely use the income tax losses that would have been allocated to you if you had invested the same proceeds in the Company without participating in the Opportunity Zone Incentive and thereby having a Non-Qualifying Investment.

It is possible for Regular Cash

The disparity between Inside Basis and Outside Basis described

Flow Distributions to cause an Inclusion Event in Certain Circumstances.	above may, with respect to regular cash flow distributions made by the Company for Qualifying Investments, cause an occurrence of an Inclusion Event when the fair market value of the property that the QOF distributes with respect to the Qualifying Investment exceeds the taxpayer's income tax basis in the Qualifying Investment. One possibility where this may be an issue is when you are not allocated any income tax basis from partnership debt.
You must continually hold the Units representing a Qualifying Investment for at least ten years to obtain the 10-Year Benefit.	The Opportunity Zone Incentive, as currently drafted, requires that you continually hold your Units representing a Qualifying Investment in the Company for at least ten (10) years in order to obtain the 10-Year Benefit (as defined in the Section labelled "*Description of the Qualified Opportunity Zone Incentive*"). You must consider the fact that you need to hold such Units on a long-term basis prior to making your investment.
You will have income tax consequences related to the Deferred Gain Recognition Amount on the Deferred Gain Recognition Date.	On the Deferred Gain Recognition Date, you will incur income tax consequences. On or before the Deferred Gain Recognition Date, the Company may not have made an aggregate amount of distributions to you that are at least as much as the amount of federal, state, and local income taxes with respect to the Deferred Gain Recognition Amount. Please note that the Company is not planning on making any special distributions to the Investors on or before the Deferred Gain Recognition Date to alleviate the impact of federal, state, and local income taxes with respect to the Deferred Gain Recognition Amount.
Entering into a Triple Net Lease does not appear to satisfy the Requirement that an OZB be Engaged in the Active Conduct of a Trade or Business.	In the event that the Company makes an equity investment in a Lower-Tiered Entity, in order to satisfy the 90% Requirement, such entity must satisfy the requirements to be an OZB. One of these requirements is the OZB needs to be engaged in the active conduct of a trade or business in the Opportunity Zone. The Final Regulations provide that the ownership and operation (including leasing) of real property is the active conduct of a trade or business. However, merely entering into a triple net lease with respect to real property that is owned is not the active conduct of a trade or business. It is possible that one or more leases that the Lower-Tiered Entity enters into will result in the Lower-Tiered Entity not being engaged in the active conduct of a trade or business.
The distribution by the QOF of any proceeds (including proceeds from a refinancing of the underlying property) could cause some or all of your Units to be considered a Non-Qualifying Investment commencing on the date of your investment in the QOF.	The distribution of any proceeds (including proceeds in connection with a refinancing of the assets of the QOF or the OZB) could result in all or a portion of your interest in the QOF being a Non-Qualifying Investment. This would result in the loss of the tax benefits (including the expected benefit of holding a Qualifying Investment in the QOF for at least 10 years) related to the Opportunity Zone Incentive commencing from the date of your investment in the QOF which includes the deferral of the Eligible Gain. You will be subject to income tax, and possibly interest and penalties with respect to such income tax liability.

The Income Tax Rate that will be applied with regards to the Deferred Gain Recognition Amount on the Deferred Gain Recognition Date could be higher than the Income Tax Rate that currently applies to the gain that you are intending to defer.

You will eventually be subject to income on all or a portion of the Deferred Gain because the Deferred Gain Recognition Amount will be subject to income tax on the Deferred Gain Recognition Date (which will occur on or before December 31, 2026). The income tax rate that would apply to the Deferred Gain will be the income tax rate for the taxable year that includes the Deferred Gain Recognition Date. You should consider the possibility that the income tax rate that would be applicable to such Deferred Gain Recognition Amount will be higher than the income tax rate that currently applies to the Eligible Gain that you are intending to defer. You should take this risk and its impact into consideration prior to making your investment.

It is unclear exactly how to satisfy the Special Land Acquisition Rule.

The Final Regulations provided a Special Land Acquisition Rule where unimproved land within an Opportunity Zone that is acquired by purchase is not required to meet the Substantial Improvement Requirement. Accordingly, unimproved land does not need to be "substantially improved", as determined in Code Section 1400Z-2(d)(2)(D)(ii), to meet the definition of OZBP. There is a lack of clarity with respect to the Special Land Acquisition Rule because the Final Regulations provide that the rule does not apply where the QOF or the OZB acquires unimproved or minimally improved land with the expectation, intention, or view not to improve the land by more than an "insubstantial amount" within 30 months after the date of purchase. It is unclear what is an "insubstantial amount" for these purposes.

There are no assurances that the transactions engaged in directly or indirectly by the Company will not be Recast or Recharacterized under the Anti-Abuse Rules.

If a significant purpose of a transaction is to achieve a federal income tax result that is inconsistent with the purposes of Code Section 1400Z-2 and the Final Regulations, then the transaction (or a series of transactions) will be recast or recharacterized for federal income tax purposes as appropriate to achieve tax results that are consistent with the purposes of Code Section 1400Z-2 and the Final Regulations. There is very little interpretation as to what transactions could be subject to being recast or recharacterized as a result of these anti-abuse rules. The Final Regulations provide that the purposes of Code Section 1400Z-2 and the Final Regulations are to encourage the making of longer-term investments, through QOFs and OZBs, of new capital in one or more opportunity zones and to increase the economic growth of such opportunity zones.

There is a risk that any Used Property that is Purchased may not Qualify as OZBP.	It is possible for used tangible property to satisfy the Original Use Requirement (and not need to satisfy the Substantial Improvement Requirement) to the extent that the Company's property has not been previously used or placed in service in the Opportunity Zone. The Final Regulations did not provide guidance as to the diligence that is necessary to determine whether the used tangible personal property has been used or placed in service in the Opportunity Zone. Accordingly, the Company may acquire used property that is incorrectly believed not to have been previously used or placed in the service in an Opportunity Zone.
Fees that are paid to a Related Party by the QOF or the OZB and are required to be Capitalized do not appear to be considered OZBP (or OZP).	To the extent that the QOF or the Lower-Tiered Entity pays fees to a related party and such fees are capitalized in property rather than currently deductible, the fees appear to create tangible property that is not considered to be OZBP (or OZP). Such a result could be a problem for a QOF attempting to satisfy the 90% Requirement or an OZB attempting to satisfy the 70% Assets Test.

YOU MAY NOT RECEIVE ANY INCOME TAX BENEFITS BY MAKING AN INVESTMENT IN THE COMPANY AND COULD INDIRECTLY FACE SERIOUS PENALTIES

THE COMPANY HAS NOT DETERMINED HOW IT WILL INVEST YOUR PROCEEDS WITH RESPECT TO THE PROJECT IN ORDER TO MAKE AN INVESTMENT THAT MAY QUALIFY AS OZP WITH RESPECT TO THE COMPANY. THIS MEANS THAT THERE IS A SERIOUS RISK THAT YOU MAY NOT RECEIVE ANY OF THE INCOME TAX BENEFITS UNDER THE OPPORTUNITY ZONE INCENTIVE WITH RESPECT TO YOUR INVESTMENT IN THE COMPANY. THIS ALSO MEANS THAT THE COMPANY COULD BE FACE SIGNIFICANTLY PENALTIES FOR FAILURE TO QUALIFY UNDER THE OPPORTUNITY ZONE PROVISIONS. YOU SHOULD DISCUSS THIS WITH YOUR TAX ADVISOR AND WHETHER AN INVESTMENT THAT DOES NOT OBTAIN TAX BENEFITS UNDER THE OPPORTUNITY ZONE INCENTIVE WOULD BE PROBLEMATIC AND AS TO WHETHER YOU CAN INDIRECTLY BEAR ANY PENALTIES INCURRED BY THE COMPANY.

Caliber is expected to transfer the Leasehold Interest to Holdco by assigning a substitute lease (the "*Substitute Lease*") with respect to the Leasehold Interest to Holdco from Riverwalk 1 Holdco, LLC, an Arizona limited liability company. Holdco is currently owned by a QOZB that is affiliated with Caliber, and is considered to be an entity that is disregarded as an entity separate from its owner for federal income tax purposes.

Caliber is contemplating thereafter to cause such QOZB to distribute (the "*Spin-Off*") the membership interests in Holdco to each of its members which consists of three entities including two (2) QOFs related to Caliber. Caliber is inquiring with the U.S. Department of Treasury (the "*Department*") as to whether the Department will grant a favorable Private Letter Ruling (the "*PLR*") that the distributed membership interests in Holdco (which will technically be the membership interests in Company, a new constituted partnership under the Subchapter K rules)

will be considered to be OZP with respect to the two current QOFs. Caliber is also inquiring as to whether the Department will grant a favorable ruling that the Substitute Lease would be considered to be OZBP while held by Holdco after the Spin-Off since, Company, the new constituted partnership under the Subchapter K rules, will not have acquired the Substitute Lease by purchase but rather assignment.

IN THE EVENT THAT THE DEPARTMENT WILL NOT ISSUE A FAVORABLE PLR, CALIBER MAY NOT PURSUE THE TRANSACTIONS DESCRIBED IN THIS MEMORANDUM OR RATHER PURSUE SUCH TRANSACTIONS WITHOUT PLANNING FOR INVESTORS TO OBTAIN ANY OF THE BENEFITS UNDER THE OPPORTUNITY ZONE PROVISIONS.

SPECIAL OPPORTUNITY ZONE INCENTIVE DISCLOSURE: INTERIM GAINS ISSUE

The Company expects to be treated as a partnership for federal income tax purposes. Further, it is expected that any lower-tier entity will be a partnership for federal income tax purposes.

Where a QOF partnership or an OZB partnership (with a QOF partnership) sells an asset that results in income or gain, the taxpayers of the QOF partnership are subject to income tax on their allocated portion of the income or gain to the extent that they have not attained ("*Interim Gains*") the 10-Year Holding Period even where the QOF reinvests the proceeds in OZP.

Code Section 1400Z-2(e)(4)(B) provides that Treasury shall prescribe regulations as may be necessary to carry out the purposes of the Opportunity Zone Provisions, including rules to ensure that a QOF has a reasonable period of time to reinvest the return of capital from the equity in an OZB, and to reinvest proceeds received from the sale or disposition of OZP.

The Final Regulations do not provide for exemption from income taxation on the Interim Gains but rather provide that, if a QOF receives cash proceeds from the return of capital or the sale or disposition of some or all of its OZP and the QOF reinvests some or all of such proceeds in OZP by the last day of the 12-month period beginning on the date of the distribution, sale, or disposition, then the proceeds, to the extent that they are so reinvested, are treated as OZP for purposes of the 90% Requirement. However, the Final Regulations require that the QOF continuously hold the proceeds in cash, cash equivalents, or debt instruments with a term of 18 months or less.

The Final Regulations provide that, if the reinvestment of proceeds is delayed as a result of waiting for government action where the application requesting government action has been completed, then such delay does not cause a failure with respect to the 12-month requirement to reinvest. Also, if the reinvestment is delayed as a result of a federally declared disaster, the QOF may receive up to an additional 12 months to reinvest such proceeds as long as the QOF invests such proceeds in the manner originally intended before the disaster.

You should plan for the possibility that the Company will directly and/or indirectly hold assets for a significant period of time.

SPECIAL OPPORTUNITY ZONE INCENTIVE DISCLOSURE: POLITICAL AND LEGISLATIVE RISK FACTORS

There is a risk that the Opportunity Zone Provisions could be amended (and possibly on a retroactive basis) resulting in negative income tax consequences to you with respect to your investment. There is a risk that new legislation can negatively impact your ability to obtain benefits under the Opportunity Zone Incentive.

Articles in national publications have been critical of the Opportunity Zone Incentive and certain transactions. This appears to have resulted in a number of proposals for legislation to amend the Opportunity Zone Incentive and, in at least one case, to repeal the Opportunity Zone Incentive. Further, any change in the composition of Congress could affect the viability and the support for the Opportunity Zone Incentive, and may result in the proposal of legislation to make significant changes or a possible repeal the Opportunity Zone Incentive. For example, the federal long-term capital gains rate could increase resulting in the federal income tax rate being applied to your Deferred Gain where such rate is higher than the rate that would be applied to your Eligible Gain if you did not invest in the Company.

Possible changes to the Opportunity Zone Incentive could result in negative income tax consequences to you with respect to your investment.

In September 2023, the Opportunity Zone Transparency, Extension, and Improvement Act ("*OZTEI*") and was re-introduced in the U.S. House of Representatives (H.R. 5761). OZTEI would make a number of changes to the Opportunity Zone Incentive including providing for the sunset or termination of certain population census tracts that have been designated as "qualified opportunity zones". The Company may indirectly invest in projects located in one these population census tracts and it is uncertain as to whether such investment by the Company will qualify for any of the grandfathering provisions.

OZTEI also requires significant reporting requirements. These reporting requirements include obligations for you and could result in privacy limitations for you.

You should discuss with your tax advisor any risks to your investment with respect to obtaining benefits under the Opportunity Zone Incentive as a result of potential changes in the composition of Congress, the office of the Presidency, OZTEI, and other current proposed legislation.

SPECIAL OPPORTUNITY ZONE INCENTIVE DISCLOSURE: STATE TAX CONFORMITY

Certain States Have Not Conformed to the Opportunity Zone Provisions, such as California, and this could have Negative Implications for You. Other States that previously adopted the Opportunity Zone Provisions have subsequently decided or are in the process of Decoupling, in whole or part, from the Opportunity Zone Provisions.

The state and local income tax consequences with respect to the Opportunity Zone Incentive are complex and may vary depending on each investor's particular tax situation. You need to consult with your tax advisor to understand the state and local income tax consequences with your investment, including as it relates to the Opportunity Zone Incentive.

While some states automatically adopt the Opportunity Zone Provisions through rolling conformity with the federal income tax code, and other states with fixed date conformity have enacted legislation to either adopt or decouple from the Opportunity Zone Provisions, other fixed date conformity states, such as California, have not adopted the Opportunity Zone Provisions. It is also possible that a state may place conditions on its conformity that may not be satisfied with an investment in the Company. Other states that previously adopted the Opportunity Zone Provisions, such as New York, have subsequently decoupled, or are in the process of decoupling from the Opportunity Zone Provisions, in whole or in part.

A state's failure to adopt the Opportunity Zone Provisions (or placement of conditions that will not be satisfied) could result in state and local income tax consequences for a Member without having the cash to pay the related state and local income taxes. It is also possible that you may be required to pay income tax in more than one state where you are a resident of a nonconforming or decoupled state and the Eligible Gain that represents the Deferred Gain is sourced to a conforming state. In such a case, your resident state could require you to pay income tax for the taxable year that the Eligible Gain is generated without providing you with an income tax credit for income taxes that you will be subject to in the conforming source state in the subsequent taxable year in which the Deferred Gain will be recognized pursuant to the Opportunity Zone Provisions.

Again, you are urged to consult with your tax advisor in evaluating the amount and timing of state and local income taxes that you may be subject to in light of your particular tax situation.

SPECIAL OPPORTUNITY ZONE INCENTIVE DISCLOSURE: TRIPLE NET LEASING RISKS

One of the requirements for an entity to be an OZB is that at least fifty percent (50%) of the total gross income of the entity must be derived from the active conduct of a trade or business of such entity in the Opportunity Zone. Final Regulations provide that the ownership and operation (including leasing) of real property is the active conduct of a trade or business (the "*Active Requirement*"); provided, however, "merely" entering into a triple net lease with respect to real property that is owned by a taxpayer does not constitute the active conduct of a trade or business by such taxpayer.

The Final Regulations provide illustrative examples involving triple net leasing. Based upon these examples, it appears that it is critical for the Eligible Entity participate in the management or operational duties with respect to the building.

The Final Regulations also provide a couple of illustrative examples of this issue. Based upon the two examples, it appears that when the sole business of the OZB is leasing, the lease terms need to result in the OZB meaningfully participating in the management or operations of each of the buildings to avoid the issue with triple net leasing. The examples imply that such management or operations need to be carried on by the employees of the OZB, and that the OZB should maintain an office in the building.

This also appears to pose an issue for any ground leases because of its passive nature for the OZB and potential for a lack of management or operation by the OZB over the ground leased property.

You should discuss with your tax advisor whether any possible indirect lease arrangement involving the Company will or will not result in the engagement of the active conduct of a trade or business based upon the Final Regulations.

SPECIAL OPPORTUNITY ZONE INCENTIVE DISCLOSURE: ISSUES WITH CIRCULAR CASH FLOWS

The preamble to the Final Regulations and recent technical corrections to the Final Regulations drew attention to transactions where property is sold to a QOF or an OZB and the seller of the property has a plan or intent to subsequently invest such proceeds into the QOF, which are then contributed to the OZB.
The preamble to the Final Regulations and the technical corrections to the Final Regulations provide that, in a such a case, and by way of example, Treasury and the Internal Revenue Service agree that federal income tax principles require a recasting of the contribution of the cash sales proceeds as a contribution of the previously sold property to the QOF and then a subsequent contribution of such property by the QOF to the OZB.

It appears that the key is that the sale of the property is part of a plan that includes the investment of the sales proceeds back into the QOF followed by the contribution of those proceeds to the OZB. The preamble to the Final Regulations and the technical corrections to the Final Regulations cite authorities where a series of transactions transferring cash are disregarded when the cash is effectively being returned through those transactions to the entity that originally held the cash.

Such a recasting could have a chilling effect on an Eligible Entity attempting to qualify as an OZB because the recasting of the transaction as a contribution of the property instead of a purchase of property results in the property (or at least a portion thereof) as not being OZBP. Also, a non-cash contribution from the QOF to the OZB does not qualify as OZP.

By way of example, the technical corrections to the Final Regulations provide that where an unrelated seller of a tangible asset to the OZB has, at the time of the sale, a plan or intent to invest in the QOF that is related to the OZB (which will make the seller related to the OZB), the seller shall be treated as related on the date of the sale even though the investment in the QOF which caused the relatedness occurred on a later date.

The result of the recasting as a related party transaction is that seller's gain is not an Eligible Gain and the tangible property acquired by the OZB is not OZBP.

The concern that a sale of property to an Eligible Entity where an investment will be made to the Company by the seller of the property, or an indirect owner of the seller should be discussed with your tax advisor.

SPECIAL OPPORTUNITY ZONE INCENTIVE DISCLOSURE: INVESTORS WITH NON-QUALIFYING INVESTMENTS IN QOFS

An Investor with a Non-Qualified Investment in the Company appears to indirectly bear a portion of any penalty imposed upon the Company for the Company's failure to satisfy the 90% Requirement.

The Final Regulations provide that the failure of the 90% Requirement results in a statutory penalty for the Company for each month of such failure. An investor that holds a Non-Qualifying Investment in the Company will indirectly bear a portion of any penalty imposed upon the Company for the Company's failure to satisfy the 90% Requirement.

There are a number of reasons why some portion or all of an investor's investment in the Company may be considered to be a Non-Qualifying Investment (rather than a Qualifying Investment), including, but not limited to, an investor not having a sufficient amount of Eligible Gains related to the investor's investment in the Company, an investor failing to make a timely Taxpayer Election, or an investor receiving a distribution that pursuant to the modified partnership disguised sale rules under the Opportunity Zone Provisions is treated similar to a return of capital.

SPECIAL OPPORTUNITY ZONE INCENTIVE DISCLOSURE: ISSUES WITH THE ALTERNATIVE VALUATION METHOD

The Final Regulations made changes to the determination of the value of the assets of the QOF and the OZB for purposes of the 90% Requirement and the 70% Assets Test when using the Alternative Valuation Method.

Under the Alternative Valuation Method, the Final Regulations require that the QOF and the OZB use the unadjusted cost basis of the asset for valuation purposes when the asset is acquired by purchase for fair market value or when the assets are constructed for fair market value. However, if the QOF or the OZB has not purchased the asset or has not constructed the asset for fair market value, then the value of the asset is determined by using the asset's fair market value on each of the semiannual Measurement Dates. The Final Regulations provide that any cash investment made by a QOF in exchange for "qualified opportunity stock" or a "qualified opportunity zone partnership interest" is treated as a purchase for purposes of the provisions mentioned in this paragraph.

In the event that the Company enters into a joint venture with a third party where such third party contributes real property to an OZB in a tax-free manner in exchange for a membership interest in the OZB, and the OZB uses the Alternative Valuation Method, the OZB will need to obtain a valuation twice per year with respect to such contributed property for purposes of the 70% Assets Test. This process could be costly and burdensome. Also, since the contributed property is not be considered to be OZBP, any appreciation of such contributed property could be problematic for satisfying the 70% Assets Test.

SPECIAL OPPORTUNITY ZONE INCENTIVE DISCLOSURE: ISSUES WITH LEASES

The Final Regulations provide that tangible property that is leased by the QOF or the OZB can be OZBP where certain requirements are satisfied. First, the property must be acquired by the QOF or the OZB under a lease entered into after December 31, 2017. Second, at the time that the lease is entered into, the terms of the lease must be market rate (i.e., the terms reflect common, arms-length market practice in the locale that includes the Opportunity Zone under Code Section 482).

The Final Regulations provided additional requirements for a lease of tangible property between a lessor and a related QOF or OZB to be potentially considered as OZBP. First, the lessee cannot make a prepayment in connection with the lease related to a period of use of the tangible property that exceeds twelve (12) months. Second, with respect to leased tangible personal property, during the earlier of the last date of the lease term or the 30-month period that begins on the date that the lessee takes possession of the tangible personal property under the lease, the lessee must become the owner of tangible property that is OZBP having a value equal to or greater than the value of the leased tangible personal property. Additionally, with respect to leased tangible personal property with related parties, the Final Regulations provided a requirement that both the leased tangible personal property and the acquired OZBP must be used substantially in the same Opportunity Zones.

You should consult with your tax advisor with respect to the Final Regulations, including, but not limited to, as to the lease rules set forth above in the event the Company owns indirect interests in projects with ground leases and subleases.

SPECIAL OPPORTUNITY ZONE INCENTIVE DISCLOSURE: SAFE HARBOR PERIOD, 70% ASSETS TEST, AND STARTUP BUSINESSES

The Second Amendment provides that, for startup businesses utilizing the Working Capital Safe Harbor, if the Written Designation treats Working Capital Assets that would otherwise be NQFP as being Reasonable Working Capital because of compliance with the Safe Harbor Requirements, then the entity shall be deemed to satisfy the 70% Assets Test during the Safe Harbor Periods for which the Safe Harbor Requirements are satisfied.

There is no definition for a startup business. Accordingly, it may be difficult to satisfy the 70% Assets Test during any construction period where an OZB is not considered to be a startup business for purposes of the Second Amendment, and any real property is acquired that is not considered to be OZBP.

You should consult with your tax advisor with respect to the implications of the Second Amendment.

RISKS RELATING TO CONFLICTS OF INTEREST

The Manager and its affiliates will undertake other activities.

Conflicts of interest may arise from the fact that the principals of Manager, which has provided, currently provides, and in the future intends to continue to provide, investment management services (collectively, "Other Accounts"). Except as specifically set forth in the LLC Agreement: (i) the Manager and its respective affiliates have no duty or obligation to make any reports to the Investors, Company, or with respect to any such Other Accounts; (ii) none of Company or any Investor, as applicable, will have any right by virtue of the LLC Agreement or the existence of Company in and to such Other Accounts, the income or profits derived therefrom or the intellectual property or technologies developed in connection therewith; and (iii) the Manager and its respective affiliates will each hold and / or retain ownership of, and all rights, title, and interests in and to, all intellectual property created during the term of Company; provided that Company will have a non-exclusive, non-assignable, non-sublicensable, royalty free license to use such intellectual property for the purposes contemplated by the LLC Agreement; provided that the Project will bear its pro rata share of expenses related to such intellectual property as provided in the LLC Agreement.

Other Accounts may have investment objectives, programs, strategies, and/or positions that are similar to or may conflict with those of Company, or may compete with or have interests adverse to Company. Company was formed principally to invest in the Project. Such investment is expected to occur through the FundCo, and then eventually into HoldCo.

Conflicts of interest may also arise when the Manager makes decisions on behalf of Company with respect to matters where the interests of the Manager or one or more Other Accounts differs from the interests of Company. As noted, the principal objective of Company is to invest in the Project. However, the Manager may have the opportunity to reinvest net cash flow from capital events and refinancing (as provide in the LLC Agreement), in which case the Manager and its affiliates will have no obligation to purchase or sell qualified opportunity zone business property for, enter into a transaction on behalf of, or provide an investment opportunity to Company solely because the Manager or its affiliates purchase or sell the same qualified opportunity zone business property for, enter into a transaction on behalf of, or provide an opportunity to an Other Account. Such determination will be made in the reasonable determination of the Manager based on the suitability, practicality, and desirability of such investment, transaction, or opportunity for Company and its Investors.

The Manager does not have an exclusive time commitment to Company.

The Manager, its affiliates, and personnel will devote as much of their time to the activities of Company as they deem necessary and appropriate. The Manager, its affiliates, and personnel will not be restricted from forming Other Accounts, from entering into investment advisory relationships, or from engaging in other business activities (which may involve the ownership of real estate and/or the operation of management companies), even if such activities may be in competition with Company and/or may involve substantial time and resources of the Manager, its affiliates, or personnel.

Risks related to voting and decision-making.

The Manager is an affiliate of Caliber (as defined in the LLC Agreement, which means an entity that may be contributing capital to Company and such entity is an affiliate of the Manager), which share substantially the same management team. In addition, the Manager has the right to cause Company to enter into Side Letters (as defined in the LLC Agreement). This may present a conflict of interest on the part of the Manager's principals with respect to the making of business decisions as between Company and the Manager.

Affiliates of the Manager may make investments in Company and in Other Accounts.

Subject to applicable regulatory restrictions, one or more affiliates or personnel (including funds managed by Caliber) of the Manager may choose to personally invest, directly and/or indirectly, in Company. Any such person may be in possession of information relating to Company that may not be available to other Investors and prospective Investors.

Risks Related to Related Party Transactions.

The Manager has in the past and may continue to, in its sole but good faith discretion, engage affiliated or outside professionals and service providers, including professionals and service providers (and entities that employ such persons) affiliated with the Manager, on behalf of and at the expense of Company (whether directly or indirectly). The LLC Agreement provides that, absent manifest abuse, the Manager will not be deemed to have breached any fiduciary duty as a result of causing Company to enter into such related party transactions. Such fees or reimbursements (which for purposes of clarity, may be for services or arrangements performed in the past or that may be performed in the future) will be paid at such rates set forth in the LLC Agreement ("Approved Rates") and may include, among others:

1. Management: (a) management and/or oversight of any aspect of operations of the real estate and related assets and the maintenance of brands and their requirements (e.g., leasing services, market positioning and advertising, employee training and development, and standard operating procedures), including base and incentive, asset management, technology, regional operations, legal, human resources, sales, and marketing; (b) accounting services for the real estate or any related assets' operations or structure; (c) centralized services that, principally due to economies of scale, the management firm can provide on a more economical basis than through dedicated on-site personnel at each asset (including for example: technology, revenue management, and e-commerce); (d) consulting for technical services prior to project completion; (e) consulting for pre-opening services to prepare an asset for opening by, for example: developing service standards, hiring and training personnel, engaging vendors and third-party service providers, and procuring operational supplies and equipment; and (f) branding and outlet consulting services related to, for example, concept development, marketing, and overall narrative of the guest experience (such as brand positioning, interior and media design and development, and training and standard operating procedures) and (g) management of the completed facilities and operating business including but not limited to membership sales, sponsorships, property management, accounting and leasing;

2. Development and Constructions: (a) management and supervision of the development and construction process including oversight and coordination of architect, general contractor, design, and other components; (b) procurement of furniture, fixtures, and equipment; and (c) representation of the owner's interest with respect to the coordination, review, and approval of various decisions in the development process when an affiliate of the Manager is not providing development/renovation management services;

3. Professional Services: (a) legal services to the Manager on behalf of Company, Project, or another investment, including services related to the formation, operation, dissolution or termination of the Manager, Company, its direct and indirect subsidiaries, the Manager, and their related entities, legal due diligence, compliance with applicable laws (including the preparation and submission of necessary regulatory filings of Company and the response to inquiries from regulatory bodies), negotiation and completion of transactions related to the acquisition, holding and disposition of the Project, and services related to litigation, settlement or defense of claims or potential claims; legal services includes those performed by attorneys, paralegals, transaction specialists, and other similar functions; and (b) accounting, audit, and tax related services, including administration, investor reporting, and treasury such as preparation and distribution of financial statements, tax filings and Schedule K-1s, and representation of Company or the Investors, by a "partnership representative" for purposes of Section 6223(a) of the Code and similar statutes;

4. Intellectual Property: use of the Manager's, or its affiliates' intellectual property; and

5. Additional Services: additional services not identified in the LLC Agreement provided such services are performed at the Approved Rates.

All services or arrangements may be performed by the Manager or an affiliate in its entirety or through a co-service or sub-service arrangement. For purposes of clarity, Approved Rates shall include amounts set forth in the LLC Agreement plus reimbursement of expenses to include the cost of project-specific personnel and other customarily reimbursed expenses, as determined by the Manager. For example, such project-specific personnel include: all property-level or dedicated project personnel, including shared resources, such as project managers or coordinators, FF&E or design managers, area directors and managers of revenue or marketing. Customarily reimbursed expenses include: travel and out-of-pocket expenses, shared services, shared costs, recruiting, training, market data and research costs. For the avoidance of doubt, no payment by Company for any of the services or other business arrangements described in (1)-(7) in the preceding shall offset the Management Fee payable by the Investors. The rates payable for professional services described above will be paid to the Manager or an affiliate by Company regardless of the level of experience, expertise or the actual fair value of services rendered by any particular professional who provides such services to Company. Although Approved Rates for these professional services are intended to reflect an average or blended rate (i.e., one that takes into account variable hourly rates, and attempts to anticipate time allocated to Company by professionals of various experience and expertise), these Approved Rates are based on assumptions and thus have inherent limitations.

Therefore, while in some instances Company may benefit from Approved Rates, in other instances, Company may pay more for these services than if a rate tied to experience level had been used. It is also common industry practice to estimate remaining amounts to be billed for these professional services prior to a transaction closing. The Manager or an affiliate may employ such practice as Company nears the close of a transaction. In some cases, the use of such practice may result in Company benefiting, in other instances, Company may pay more for these services than if such practice did not occur. In either case the impact on Company is expected to be minimal, especially when taken over the life of Company.

Although the Manager and its affiliates are active participants in the markets in which Company will invest, they do not necessarily have access to, and are not undertaking, continuing detailed studies of the actual prevailing market rates charged for services or business arrangements in each jurisdiction where they provide such services or arrangements and it is possible that the Approved Rates charged by the Manager or its affiliates for such services or arrangements may be lower or higher than the actual prevailing market rates charged in any such jurisdiction. Company may bear certain costs and expenses directly or indirectly incurred in connection with the Project in accordance with the Manager's expense reimbursement policies, as may be amended from time to time by the Manager. Such policies and any amendments thereto are available to any Investor upon request. The Manager have no affirmative duty to deliver copies of amendments to such policies.

In addition, the Manager expects certain affiliated entities or owners/employees of the Manager's affiliates (including management companies) to receive compensation from the Project. Such compensation may take multiple forms, including profits interests, promote, equity, options or similar incentive equity with respect to the Project that such affiliated entities or owners/employees provide services to, which may be determined according to one or more methods, the invested capital exposed to the Project, amounts charged by other providers for comparable services and/or a percentage of cash flows from the Project. To the extent Company incurs these compensation amounts, they would ultimately be borne by the Investors, but would not offset the Management Fees payable by the Investors. The close business or personal relationships that such entities or owners/employees have with the Manager could create a conflict of interest by, for example, providing an incentive to offer or direct such employee to have a lower base pay in exchange for incentive compensation. The appropriate level of compensation may be difficult to determine, especially if the expertise and services he or she provides are unique and/or tailored to the specific engagement. For the avoidance of doubt, the foregoing amounts do not form part of and are not subject to the Approved Rates.

The Investors will bear expenses of Company that they (i) may not have borne had they been able to directly make investments similar to that of the Project, or (ii) may not be charged by other funds or investment vehicles. These expenses will include, as applicable, expenses (including legal and accounting, which such fees shall be charged at the Approved Rates) associated with organizing, operating, dissolving and terminating Company, the Manager, the GP Investor, other pooled investor vehicles and related entities, and accounting expenses incurred by each of the foregoing. Company may bear some or all of the costs of investor diligence, reporting or transfer costs and expenses that may or may not benefit the other Investors equally or at all. It is possible that the amount of these expenses incurred by Company could exceed the amount of these expenses incurred by another investor or investment vehicle or fund. In conducting Company's business,

personnel of the Manager, or others retained by or on behalf of Company, including any of the persons set forth above, may incur travel and entertainment costs and expenses directly or indirectly related to Company, or the Project, including last-minute flight fares, first class travel, cancellation fees, fine dining, reputable hotels, and other similar expenses.

While the Manager believes that: (a) the responsiveness and synergies of doing business with related parties would provide a superior result for Company, the Project, or the applicable affiliate; and (b) it is intended that such service or transaction will be structured in a manner that aligns the interests of Company, the Project and the applicable affiliates, as applicable, it is possible for conflicts to arise between the interests of the affiliate providing such service or activity and Company, the Project, the Investors, and/or Manager or their affiliates. For example, the termination of an affiliate performing related-party work may trigger a termination or cancellation fee. In addition, it is possible that the disposition of the Project could be impacted by such service or activity. For example, in situations where Manager or its affiliates owns intellectual property being used by the Project, it will work to negotiate a use agreement (e.g., a lease or license agreement) with a potential buyer whereby such buyer would be entitled to use such intellectual property. If Manager or its affiliates are unable to reach agreement with such potential buyer, the value of the Project could be impacted. Manager and its affiliates may each retain ownership of, and all rights, title, and interests in and to, some or all intellectual property created during the term of Company in connection with the Project notwithstanding the fact that Company may have paid for the development of some or all of such intellectual property; provided that Company and HoldCo (as defined in the LLC Agreement), as applicable, will have a non-exclusive, non-assignable, non-sublicensable, royalty free license to use such intellectual property for the purposes contemplated by the LLC Agreement.

Company will have a diverse investor group.

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

The carried interest may create conflicts of interest.

The existence of the Manager's carried interest may create an incentive for the Manager to make riskier or more speculative decisions on behalf of Company than would be the case in the absence of this arrangement (following the disposition of interests in the Project). Riskier actions on behalf of Company could result in Company suffering a loss of capital on its investments, which in turn would adversely impact cash available for distribution to the Investors and the value of an investment in Company.

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

Conflicts related to legal counsel.

Company legal counsel does not represent, nor will it represent, the Investors in connection with any Company legal matter. An Investor will, if it desires counsel on a Company legal matter, retain its own independent counsel. The LLC Agreement will provide that the Investors, (a) waive any actual or potential conflict of interest that may arise as a result of the representation of the Manager, Company, any Company subsidiary, by Company legal counsel or the representation of the Manager, or any of their respective affiliates by, and (b) agree that Company legal counsel may represent the Manager, Company, any subsidiary thereof, or their respective affiliates in connection with any and all Company legal matters (including any dispute between the Manager and one or more Investors). Company legal counsel may provide legal services as counsel for the Manager or its respective affiliates on behalf of Company, the Project, or entities related to such transaction for which Company, the Project, or the entity may have a payment or reimbursement obligation as contemplated by the LLC Agreement, as applicable, but will not act as counsel directly to Company, or any subsidiary thereof absent an express subsequent written agreement to the contrary.

One of the Manager's affiliates will act as the Partnership Representative in audit proceedings and may create conflicts of interest.

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

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

RISKS RELATING TO AN INVESTMENT IN COMPANY

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

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

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

Company is a newly formed entity that does not have any prior operating history of its own for prospective investors to evaluate prior to making an investment in Company. Although the principals of the Manager have extensive prior investment management experience, the Manager is a newly formed enterprise without a prior history in managing or administering a fund. Company's investment program should be evaluated on the basis that there can be no assurance that the Manager's assessment of the short-term or long-term prospects of investments will prove accurate or that Company will achieve its investment objective.

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

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

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

The Manager will have exclusive responsibility for Company's activities, and, other than as may be set forth herein or in the LLC Agreement, Investors will not have an opportunity to evaluate or approve specific investments, or any particular type or category of investment, prior to Company's investing, and will not have the ability to make any other decisions in the management of Company. Similarly, the Manager will have exclusive responsibility for Company's activities (including the Manager's right to enter into Side Letters (as defined in the LLC Agreement) without the consent of any other Investors). Decisions with respect to Company's management will be made exclusively by the Manager, who will have wide latitude within the broad investment guidelines in determining the types of assets it may decide are proper investments for Company. Similarly, decisions with respect to Company's management will be made by the Manager. The success of Company and the Project will depend in large part upon the skill and expertise of the Manager.

Investors holding at least a majority of the Units may remove the Manager, but only for Cause. Removal of the Manager may cause defaults under Project-level debt instruments, mortgages, deeds of trusts, promissory notes, joint-venture agreements, and other agreements and obligations of Company, and the Project. Any such default could reduce the value of Company's assets or otherwise result in substantial or complete loss of a Investor's investment. As a result, the Investors may have less control over the Manager's investment strategies than they may have with other investments.

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

The success of Company is dependent upon key members of the Manager's management team.

The success of Company is substantially dependent on the efforts of the officers and management team of the Manager. Should one or more of these individuals become incapacitated or in some way cease to participate in Company, its performance could be adversely affected. No assurance exists that a suitable replacement could be found if one or more of these individuals becomes unavailable for any reason. In their capacity as officers, directors, or board of advisor members, these professionals may become subject to confidentiality, fiduciary or other duties which adversely affect Company. For example, if a management team member devotes significant time and attention to another entity's business or operations, this could reduce the time and attention that they are able to devote to Company. The interests of these professionals in the Manager should tend to discourage them from withdrawing from participation in Company. There can be no assurance, however, that the individuals' abilities, effort, and prior success will continue for the life of Company.

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

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

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

No market exists for the Units, and none is expected to develop. Investment in Company requires a long-term commitment, with no certainty of return. The Investors may not be able to liquidate their Units prior to the end of Company's term. An investment in Company is suitable only for certain sophisticated investors who have no need for liquidity in their investment in Company.

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

The amount and timing of distributions will generally be at the discretion of the Manager. There may be little or no near-term cash flow available to the Investors. Distributions to the Investors may be delayed as a result of payment of Company's obligations. Company's income and gain, if any, will be further burdened by appropriate reserves and by administrative and other costs. As a result, Investors may be credited with profits, and income tax liability may be incurred, even though Investors of Company do not receive any distributions from Company. In addition, the Manager will take into account the requirements of the Opportunity Zone Incentive in determining when and whether, and from what sources, to allow Company to make distributions. These

determinations of the Manager will be conclusive and binding upon the Investors.

Company may make investments which may not be advantageously disposed of prior to Company's dissolution, which could result in low returns or losses.

Company may make investments which may not be advantageously disposed of prior to the date that Company will be dissolved. Although the Manager expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, Company may have to sell, distribute, or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In addition, the Manager may be unable to sell an investment for the price, on the terms, or in the time frame it desires, particularly if adverse market conditions develop near the end of Company's term. Even under the most favorable market conditions, there can be no guarantee that the investments (including the Project), in whole or in part, can be sold on acceptable terms. There can be no assurance that investments can be sold in accordance with Company's timetable, or on terms that will result in profits or will generate any cash proceeds for distribution to the Investors.

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

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

Company will indemnify the Manager and its members and officers with respect to any losses or damages incurred by them in connection with their services to Company, except to the extent that any losses or damages incurred by Company are established by a court order of final adjudication to be primarily attributable to such parties' Breach of Standard of Conduct (as defined in the LLC Agreement).

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

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

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

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

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

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

Investors may be required to return distributions.

If Company is otherwise unable to meet its obligations (including indemnification obligations) or liabilities, including those arising from the operation, sale or disposition of any investment, the Investors may, under the terms of the LLC Agreement or applicable law, be obligated to return cash distributions in order to allow Company to satisfy obligations of Company, or any other Company subsidiary.

The Manager may make transfers of participation interests.

To the extent the Manager and/or its affiliates commit to make a direct or indirect investment in or alongside Company, a participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the LLC Agreement.

Neither Company nor the Manager are regulated entities, resulting in less oversight than entities registered with the Securities and Exchange Commission ("SEC") or state securities commissions.

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

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

In addition, the Manager is not registered as an investment adviser with the SEC under the

Investment Advisers Act. While the Manager (or its designees) is/are providing certain real estate development, management, operations, administration and similar services with respect to Company, none of the Manager or its members and affiliates are acting in an investment adviser capacity or providing any investment advice with respect to Company, or any Investor.

Employee fraud or misconduct could cause significant losses to Company.

Misconduct by employees of the Manager, senior advisors (if applicable), service providers to Company, and/or their respective affiliates could cause significant losses to Company. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, unauthorized misappropriation of funds, the improper use or disclosure of confidential information, and other matters which could result in litigation or serious financial harm, including limiting Company's business prospects, and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption, and/or financial losses to Company. No assurances can be given that the Manager will be able to identify or prevent such misconduct.

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

Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during recent years have led to increased governmental as well as self-regulatory scrutiny of the private equity fund industry in general. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") is comprehensive and far-reaching financial services legislation that has imposed significant new regulations on almost every aspect of the U.S. financial services industry. Among other things, subject to certain limited exemptions, the Dodd-Frank Act generally requires private equity and hedge fund advisors to register with the SEC under the Investment Advisers Act to maintain extensive records and to file reports if deemed necessary for purposes of systemic risk assessment by certain governmental bodies. Importantly, certain provisions of the Dodd-Frank Act are subject to the discretion of regulatory bodies, such as the SEC, the Commodity Futures Trading Commission, or the Financial Stability Oversight Council. In addition, numerous non-U.S. governments, including many based in Europe, have implemented (or are in the process of implementing) new financial and other regulations that have increased (or may increase) regulation of and disclosure with respect to, and the registration of, private equity and hedge funds.

This enhanced oversight and regulation, and the need for additional rule-making by various governmental bodies, has created uncertainty in the financial markets and, in particular, the private funds industry. Many regulators, including governmental agencies and self-regulatory organizations, are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of applicable licenses or members. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against Company, the Manager or their respective affiliates were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm Company, the Manager or their respective affiliates' reputations which may adversely affect Company's investment performance by hindering its ability to obtain favorable financing or consummate a potentially profitable investment.

Certain legislation proposing greater regulation of the industry periodically is considered by Congress, as well as the governing bodies of non-U.S. jurisdictions. It is impossible to predict what, if any, changes in the regulations applicable to Company may be instituted in the future. Any such regulation could have a material adverse impact on the profit potential of Company, as well as require increased transparency as to the identity of the Investors.

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

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

Company may be required to disclose confidential information.

Company, the Manager or their respective affiliates and investors may be subject to public records or similar laws that may compel public disclosure of confidential information regarding Company, its investments or one or more Investors. There can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement or otherwise, including to comply with regulations or policies to which these entities may be or become subject.

Company is subject to Privacy Law compliance risks.

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

For example, California has passed the California Consumer Privacy Act of 2018, and the EU has

enacted the General Data Protection Regulation (EU 2016/679), each of which broadly impacts businesses that handle various types of personal data. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties. Other jurisdictions, including other U.S. states, have proposed or are considering similar Privacy Laws, which if enacted could impose similarly significant costs and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities.

Company is subject to risks relating to cybersecurity.

The Manager, the Project and any other Company investments and their respective affiliates, service providers, customers and counterparties use computers, other electronic devices, networks, software, on-line services and other tools (collectively, "*Information Systems*") to process, store and transmit large amounts of electronic information, including without limitation information relating to (i) Company transactions, (ii) the Investors, and (iii) the business of the Project and other Company investments, including their customers and counterparties (collectively, "*Data*"). Data may include confidential information such as market sensitive data and personally identifiable information of Investors, customers, and other parties. Information Systems are not able to protect Data under all circumstances. Any breach of these or other Information Systems may cause Data to be lost or improperly accessed, used or disclosed and cause the Manager, the Project or other Company investments and their respective affiliates, service providers, customers and/or counterparties to suffer, among other things, financial loss, disruption of business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on Company, the Investors, and the Investors' investments therein.

Unanticipated risks could have a material adverse effect on Company.

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

RISKS RELATING TO THE OFFERING

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

In a registered public offering of securities, the SEC or state regulatory authority may review the disclosures provided by the issuer and comment upon its compliance with the disclosure requirements of applicable securities laws. Because of the nature of this Offering, there are no specific required disclosures (although the anti-fraud provisions of securities laws are still applicable). Furthermore, there will be no regulatory authority reviewing or commenting upon the Offering Materials. In addition, in an underwritten public offering, the underwriter will retain

separate counsel, and the underwriter and its counsel will perform due diligence on the issuer, assets, and business. While the Manager will perform due diligence on the investments, no party has performed or has yet been retained to perform due diligence on Company, the Manager, or any of their affiliates or to assess the accuracy or adequacy of the information contained in the Offering Materials. Prospective Investors must rely on their own knowledge of the market and due diligence in making an investment decision.

Some Investors may enter into Side Letters (as defined in the LLC Agreement).

The Manager may, on its own behalf or on behalf of Company, enter into Side Letters (as defined in the LLC Agreement) that modify or supplement one or more Investors' rights and obligations with respect to its investment in Company. No Investor will be entitled (unless the Manager agrees in its sole and absolute discretion) to any rights or obligations agreed to by the Manager with another Investor in such other Investor's Side Letter (as defined in the LLC Agreement).

Investors' subscriptions are binding.

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

Investors admitted at Subsequent Closings (as defined in the LLC Agreement) may disproportionately dilute, or be diluted by, previously admitted Investors.

Additional Investors (as defined in the LLC Agreement) or Investors increasing their Commitment will participate equally in existing investments of Company, regardless of when each Investor invested in Company, thereby diluting the interest of existing Investors therein. In addition, there is no Offering termination date so the Manager may continue to hold subsequent closings in its sole and absolute discretion. Additional Investors will generally participate pro rata based on their Commitments. Because the value of existing investments may have increased or decreased since Company's acquisition of such investments, there can be no assurance that the Additional Investors' pro rata share of Commitments will accurately reflect their share of the fair value of investments if such Additional Investors were to purchase that same proportion of those investments independently.

If the Offering raises significantly less than anticipated, Company's investment in Company may be limited.

If the Offering raises significantly less than the Manager anticipates, Company's investment in Company (and subsequent investments, if applicable) may be more limited than if a larger portion of the Offering proceeds is obtained. If the Offering raises significantly less than the Manager anticipates and the other members of Company (or other third parties) do not invest sufficient capital to fully fund the required equity contributions to Company, the Project may need to be scaled down or abandoned. For example, if the Minimum Raise Amount is satisfied and the proceeds in the Escrow Account are available for release to Company, Company may still not have sufficient proceeds to continue with the acquisition of the Ground Subleases, in which case the Project would need to be abandoned, and the Investors may not be able to receive a full return (or

any return potentially) of their subscription amount. This may have an adverse impact on the ability of Company to achieve its investment objectives, and may result in a complete loss of an investment by an Investor whose subscription proceeds were used to pay the Purchase Price required to consummate the transactions contemplated by the Purchase Agreement.

The Manager and Company have not independently verified factual statements made herein.

Certain of the factual statements made herein are based upon information from various sources believed by the Manager and its affiliates to be reliable. The Manager and Company have not independently verified any of such information and shall have no liability for any inaccuracy or inadequacy thereof. Except to the extent that legal counsel has been engaged solely to advise as to matters of law, no other party has been engaged to verify the accuracy or adequacy of any of the factual statements contained herein. In particular, neither legal counsel nor any other party has been engaged to verify any statements relating to the experience, track record, skills, contacts, or other attributes of the members of the Manager or to the anticipated future performance of Company. During the term of Company, the Manager will provide to the Investors reports and other information regarding the condition and prospects of Company and its investments. The Manager's duties, obligations, and liability to the Investors with respect to the content, completeness, and accuracy of such information will be determined solely under the LLC Agreement.

Definitive terms and conditions may vary from those described herein.

The actual terms and conditions set forth in the LLC Agreement may vary materially from those described herein for a variety of reasons. Moreover, the LLC Agreement will contain highly detailed terms and conditions, many of which are not described fully (or at all) herein. In all cases, the LLC Agreement will supersede the information contained herein. Prospective investors are urged to review the LLC Agreement carefully, and must also be aware that, pursuant to the rules governing amendments set forth in the LLC Agreement, the LLC Agreement may be amended without the consent of the Investors, unless such amendment materially, adversely, and disproportionately affects a Investor.

RISKS RELATING TO COMPANY'S INVESTMENTS

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

It is anticipated that substantially all of Company's assets will consist of its interest, indirectly, in the Project, which is situated within a single asset with limited purposes (other than being an academic facility). The investment in the Project is the only planned investment of Company. As a consequence, the aggregate return of Company will be substantially adversely affected by the unfavorable performance of the Project and may be adversely affected by the performance of an alternative investment made with proceeds from the Project.

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

The current market conditions may adversely affect Company in many ways, including by

reducing the value or performance and liquidity of Company's investments and reducing the ability of Company to raise or deploy capital. A general market downturn, or a specific market dislocation, including such as that the United States is currently undergoing as a result of the Covid-19 pandemic, may result in lower investment returns for Company.

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

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

The Project may experience cost overruns and non-completion of construction or renovation.

The construction and any future renovation, refurbishment, or expansion of the Project involves risks of cost overruns (including labor and materials) and non-completion. In particular, costs of construction may exceed original estimates, possibly making the Project uneconomical. Even if the Project remains economical, Company may need to find additional sources of capital to finance such cost overruns. Similarly, Company may need to obtain additional sources of capital if operating cash flow is insufficient to pay for renovations. If needed, there is no guarantee that additional sources of capital may be available on economically desirable terms, or at all. The lack of adequate capital could impair the ability to develop and operate the Project and could result in reductions of the Project's net operating income, which could materially and adversely affect Company.

Investors will have no say in whether the drag-along right is exercised.

The LLC Agreement grants to the Manager a drag-along right, pursuant to which the Manager may under certain circumstances compel a Investor (including Company) to sell its membership interests in Company to the same buyer and on the same general terms as the Manager transfers its membership interests in Company in a bona-fide arms' length transaction or series of related transactions to a person that is not affiliated to the Manager.

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

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

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

In connection with the disposition of an investment, including the Project, Company may be

required to make representations about such investment. Company also may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the Manager may establish reserves or escrow accounts or for which Company may be required to expend its assets to settle.

It is anticipated that Company will have several issues with it qualifying as a "qualified opportunity zone business" under applicable statutes and regulations.

Manager is giving no assurances or promises to Investors that Company will comply, or remain in compliance to the extent it is initially in compliance, with applicable Opportunity Zone Provisions.

Manager may, without the consent of the Investors, knowingly or unknowingly, take actions that will result in Company not qualifying as a qualified opportunity zone business. There is no guaranty that the Investor would find a suitable investment to redeploy such capital. An Investor's investment into Company should be assumed to not be eligible for the tax incentives available through the Opportunity Zone Provisions, and Manager will have no liability to an Investor for Company failing to so qualify as a qualified opportunity zone business (or any penalties associated with such failure).

RISKS RELATING TO REAL ESTATE INVESTMENTS

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

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

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

Company intends to invest indirectly in the Project. There is a risk that the Project will fail to perform as expected. Estimates of future income, expenses, and the costs of development necessary to allow Company to develop and operate the Project as originally intended may prove to be inaccurate. In addition, Company expects to finance the Project in part with secured or unsecured financing, and there is a risk that the cash flow from the Project could be insufficient to meet debt payment obligations.

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

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

The Project is a ground-up development, which faces unique risks that, if realized, can materially adversely impact the performance and value of Company.

Company will be subject to the risks normally associated with developing real estate. Investments made in properties to be developed may receive little or no cash flow during the construction phase and until the facility commences its operations, and market conditions may change during the course of development which makes such development less attractive than at the time it was commenced. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning, permitting, easements, and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of Company, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the financial condition and results of operations of Company and on the amount of funds available for distribution to the Investors.

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

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

In addition, the presence of hazardous or toxic substances, or the failure to remediate such property properly, may adversely affect the ground sublessee's ability to borrow using such real property as

collateral. In addition, some environmental laws create a lien on contaminated property in favor of the government for costs it incurs in connection with the contamination. Certain clean-up actions brought by governmental and private parties, as well as the presence of hazardous substances on a property, may lead to claims of personal injury, property damage, or other claims by private claimants.

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

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

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

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

With respect to ground sublease hold interests acquired by Company, liability, fire, flood, extended coverage and rental loss insurance with insured limits and policy specifications that are customary for similar properties are expected to be maintained, although it may be difficult to secure such policies due to Company only holding a ground leasehold interest. Company expects that the insurance carried on the Project and any other property will be adequate in accordance with industry standards, although there is no guaranty this will occur. Company will attempt to maintain customary insurance coverage against liability to third parties and property damage. There can be no assurance that insurance will be available or sufficient to cover the risks associated with Company's investment strategy.

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

Company will be subject to litigation risks.

Company will be subject to a variety of litigation risks, particularly in consequence of the potential that the Project will face financial or other difficulties during the term of Company's investment. In the event of a dispute arising from such activities, it is possible that Company, the Manager or one or more of its affiliates may be named as defendants. Under most circumstances, Company will indemnify the Manager, and its respective partners, members, managers, officers, directors, employees, agents, and affiliates for any costs they may incur in connection with such disputes. Beyond direct costs, such disputes may adversely affect Company in a variety of ways, including by distracting the Manager and harming relationships between Company, and the Project or other investors in Company.

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

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

RISKS ASSOCIATED WITH TRANSACTING WITH A SOVERIGN NATION

The Ground Sublease Agreements are subordinated to the Substitute Lease and the Community.

HoldCo will not hold a fee simple interest in the Property. Real estate investments commonly include acquiring fee simple title to the subject real property, with such ownership interest allowing the property owner significant rights with respect to such property and the development of the improvements thereon. The Property is situated on the Salt River Pima-Maricopa Indian Community and is subject to the terms and conditions of the Substitute Lease and the Ground Sublease Agreement. Accordingly, the parties to those agreements (PFCC and the Community) will have certain rights to initiate defaults under the applicable agreements to the extent that Company fails to meet its obligations. These rights include, without limitation, the right to terminate the Ground Sublease Agreements. If a default is initiated, the consequences from such default (including termination) could have a material adverse impact on Company, including the

possibility of a complete loss of investment for each Investor.

Lenders are less likely to lend to HoldCo due to the Property being located on tribal land.

Lending issues and concerns may be significant for certain lenders. Due to the subordinated nature of the Property (being ground subleased) and the rights that a sovereign nation (such as the Community) may have with respect to a property located on tribal land (including exclusive jurisdiction rights), some lenders refuse to lend against a Project that is located on the Community. Having fewer lenders (including possibly having to seek debt financing from private "hard money" lenders, who typically offer less favorable terms than a traditional bank) who are willing to lend to HoldCo for the development of the Project may result in HoldCo not securing debt financing or, if it does secure debt financing, such debt financing is provided on unfavorable terms (or terms that are not consistent with the Manager's pro forma economic model for the development. If HoldCo is able to secure debt financing, any unfavorable terms will result in increased expenses for Company, and decreased returns for the Investors (and possibly lack of return to repay the Class B Investors). HoldCo may not be able to secure debt financing, and if this occurs, Company will be required to either raise all of the capital needed for the Project under this Offering or offer (possibly through MezzCo), "mezzanine debt" on terms and conditions not favorable to the existing Investors.

Even if HoldCo is able to locate a lender who is willing to lend for the Project development, any security interest granted in the Property will require the consent of the Community and certain others. There is no guarantee that such consents will be successfully delivered.

RISKS ASSOCIATED WITH DEBT

Leverage of investments increases the risk of loss on Company's investments if the underlying properties perform poorly and there is no limitation on the amount of indebtedness that Company may incur.

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

While such leveraging will increase the funds available for investment by Company, it will also increase the risk of loss on a leveraged property, especially since there is no limit to the Manager's ability to incur debt on behalf of Company. The LLC Agreement similarly has no limitation on the amount of indebtedness the Manager can cause Company to incur. If Company defaults on indebtedness secured by a given property, the lender may foreclose and Company could lose its entire investment in the given property.

A breach of debt financing agreement covenants can require early repayment or otherwise

hinder Company's ability to make cash distributions to Investors.

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

Debt service and interest could adversely impact results.

As noted above, Company intend to use secured and unsecured debt to finance the Project. The governing documents of Company do not limit the amount of borrowings the applicable entity may incur. As a result, Company may incur substantial debt, including secured debt. Incurring substantial debt could subject Company to many risks, including the risks that:

- operating cash flow will be insufficient to make required payments of principal and interest;
- Company's leverage may increase Company's vulnerability to adverse economic and industry conditions;
- Company may be required to dedicate a substantial portion of its cash flow from operations to payments on its debt, thereby reducing cash available for distribution to its members, funds available for operations and capital expenditures, future business opportunities or other purposes;
- Company may be placed at a competitive disadvantage compared to its competitors that have less debt;
- Company may be vulnerable to a slowdown in the economy, and Company's flexibility to respond to more difficult economic conditions may be hurt;
- terms of any refinancing, if available, will not be as favorable as the terms of the debt being refinanced; and
- the terms of Company's debt may limit Company's ability to incur further borrowings or to make distributions to its members.

Interest rates may adversely impact Company.

Company may borrow significant amounts of money to purchase, develop, or improve the Project (or any subsequent investment) or to pay for their operating costs. An increase in interest rates may make borrowing money more expensive for Company. Company may borrow money on a

variable rate basis; that is, the interest rate charged to Company will increase as interest rates increase, and decrease as interest rates decrease. Higher interest rates could increase debt service requirements on debt under any floating rate debt that Company incurs and could reduce the amounts available for the Investors, as well as reduce funds available for Company's operations, future business opportunities, or other purposes.

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

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

- interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates;
- available interest rate hedges may not correspond directly with the interest rate risk for which protection is sought;
- the duration of the hedge may not match the duration of the related liability;
- the credit quality of the hedging counterparty owing money on the hedge may be downgraded to such an extent that it impairs Company's (as applicable) ability to sell or assign its side of the hedging transaction; and
- the hedging counterparty owing money in the hedging transaction may default on its obligation to pay.

As a result of any of the foregoing, hedging transactions, which will be intended solely to limit losses, could have a material adverse effect on Company. In addition, any such hedge agreements would subject Company to the risk of incurring significant non-cash losses on Company's hedges due to declines in interest rates if Company's hedges were not considered effective under applicable accounting standards.

RELATED PARTY FEES

(*see below*)

SUMMARY OF CERTAIN MATERIAL AGREEMENTS

CrossFirst Bank – Summary of Primary Loan Terms:

On October 28, 2022, CrossFirst Bank ("**Lender**") made a $20,000,000 single-advance loan (the "**Loan**") to the following entities (on a joint and several basis): (1) Riverwalk 1 Holdco, LLC; (2) Riverwalk 2 HoldCo, LLC; (3) Riverwalk 3 HoldCo, LLC; (4) Riverwalk 4 HoldCo, LLC; (5) Riverwalk 5 HoldCo, LLC; (6) Riverwalk 6 HoldCo, LLC; and (7) Riverwalk 7 HoldCo, LLC ("**Borrower**"). The Loan is:

(a) secured by a first lien on each Borrower's respective leasehold interest in certain real property that is the subject of a long-term lease from Certain Allotted Landowners of Land Within the Salt River Pima-Maricopa Indian Community. The Loan is also secured by a security interest in all agreements entered into by any Borrower or Guarantor relating to the real property collateral (including any purchase and sale agreements, consulting agreements, construction contracts, approvals, entitlements, reimbursement agreements, etc.);

(b) guaranteed by Caliber Tax Advantaged Opportunity Zone Fund, LP, a Delaware limited partnership ("**Guarantor**"). Guarantor specifically guarantees the following:

1. payment of all amounts due under the loan documents;

2. payment of the difference between $6,287,956.50 and the sales price for the Freeway Mid-Parcel (if the Freeway Mid-Parcel is sold to Apex Park (or affiliates) for an amount less than the $6,287,956.50);

3. performance of all work required under approved leases for the real property collateral; and

4. performance of all obligations of Borrower under the loan documents evidencing the Loan.

Interest Rate, Loan Term and Payment Obligations:

(a) Interest accrues at variable rate of interest equal to the greater of: (1) the 1-month Term SOFR Reference Rate plus 4.25%, or (2) 4.5% per annum. If an event of default occurs under the loan documents, Lender will impose default interest equal to 5% over the non-default rate of interest.

(b) Borrower is required to make monthly interest-only payments of all accrued unpaid interest (with a balloon payment at loan maturity). In addition to the monthly payment of interest, Borrower must make principal paydowns in a cumulative amount equal to

$5,000,000.00 by the end of the first loan year, and $10,000,000 by the end of the second loan year. The required principal curtailments can be made from Borrower's cash or equity, or from Borrower's payment of release prices resulting from the sale of loan collateral. Borrower has the ability to prepay the loan (without imposition of a prepayment penalty).

(c) The initial loan term is 24 months, with one (1) 12-month extension option (conditioned upon payment of an extension fee of 0.50% of the then-outstanding principal balance of the loan, and reduction of the outstanding loan amount by $10,000,000 (from the principal curtailments described above)).

(d) At loan closing, Lender funded $2,000,000 of loan funds into an interest reserve account, which funds can be accessed to pay monthly debt service (and other payments) required pursuant to the loan documents.

Financial Covenants:

(a) Borrower cannot make distributions until the Loan is paid in full, except for distributions that are to be used by equity holders to pay any income taxes resulting from the sale of real property collateral for the loan.

(b) Borrower cannot obtain any additional assets, and cannot incur additional debt (directly or indirectly). Any intercompany debt must be unsecured and fully subordinated to the Loan.

(c) Borrower is prohibited from transferring certain equity interests as more particularly set forth in the loan documents. Note that after any equity transfer that is permitted pursuant to the loan documents, Guarantor (directly or through Caliber Services, LLC) must remain in voting and management control of Borrower, and Chris Loeffler and/or Jennifer Schrader must control both Guarantor and Caliber Services, LLC. The loan documents also contemplate certain transfers in interest held by the various "FundCo" entities, and estate planning transactions.

(d) Guarantor must maintain minimum liquidity of not less than $2,000,000.00 held in a deposit account maintained with Lender.

Release of Collateral:

Provided that the loan is free from default, Lender will release its lien on certain parcels of real property collateral upon satisfaction of the following release conditions:

(a) the Borrower's interest in the parcel is sold to a third party in an arms-length transaction (pursuant to a sales contract and price approved by Lender); and

(b) Borrower pays Lender a release price equal to the greater of (1) 75% of net sales proceeds; or (2) the "Allocated Acquisition Price" for the parcel, with any surplus sales

proceeds deposited with Lender. The "Allocated Acquisition Price" for each parcel is set forth below:

Parcel	Allocated Acquisition Price
Dobson Parcel	$15,046,678.50
Freeway Mid-Parcel	$ 6,287,956.50
Mixed-Use Entertainment Parcel	$ 9,506,563.50
Restaurant Row Parcel	$ 4,359,253.50
Dobson Pad	$ 742,192.50
Top Golf Parcel	$ 7,554,540.00
Hampton Inn Parcel	$ 1,242,066.00

CONFLICTS OF INTEREST

Company is subject to various conflicts of interest arising out of its relationship with its Manager, and the Manager's affiliates, including conflicts related to the arrangements pursuant to which Company will compensate the Manager and its affiliates. Some of the potential conflicts of interest in Company's transactions with the Manager and its affiliates are described below. For a description of some of the risks related to these conflicts of interest, see the Section labeled "Risk Factors."

There are no independent oversight mechanisms of Company to monitor the conflicts of interest between Company and the Manager.

Affiliates

The Manager is a member-managed limited liability company and its member is Caliber Services, LLC, an Arizona limited liability company ("*Caliber Services*"). Caliber Services provides a variety of administrative, management, accounting, finance, fund management, and related services to its affiliates. Caliber Services, LLC is a member-managed limited liability company and its sole member is Caliber Companies, LLC, an Arizona limited liability company ("*Caliber Companies*"). Caliber Companies operates each of its affiliates which include businesses activities of real estate investment, construction, development, property management, brokerage, securities brokerage, and administrative services. Caliber Companies is a Manager-managed limited liability company. CaliberCos, Inc., a Delaware corporation ("*CaliberCos*") is the Manager of Caliber Companies. The sole member of Caliber Companies is CaliberCos. CaliberCos operates each of its affiliates which include business activities of real estate investment, construction, development, property management, brokerage, securities brokerage, and administrative services.

Compensation

All of the terms of Manager's rights and preferences, including compensation, were determined by the Manager and are not the result of arms'-length negotiations.

Certain affiliates of the Manager will receive compensation from Company for services performed on behalf of Company or the Manager, including, without limitation, affiliates of Company. Such services may include property management (with corresponding property management fees), construction services (with corresponding construction charges and fees), loan guarantee fees, and accounting services.

Other Investment and Business Opportunities

Company relies on the Manager and its affiliates and advisors to oversee the acquisition, development, marketing and sale of the Project on Company's behalf. At the same time, the Manager's affiliates and advisor manage other real estate programs sponsored by Caliber that may have investment objectives and investment strategies that are similar to Company's objectives and

strategies. As a result, such affiliates and advisors could face conflicts of interest in allocating real estate opportunities as they become available, including, by way of example, marketing and selling a property similar to the Project that is managed by Caliber to a third-party buyer rather than marketing and selling the Project. If one of these other real estate programs attracts a tenant or buyer that Company is competing for, Company could suffer a loss of revenue due to delays in locating another suitable tenant or buyer. Each investor will not have the opportunity to evaluate the manner in which these conflicts of interest are resolved before or after making the investment in Units.

The Manager is indirectly managed by John C. Loeffler II, Jennifer Schrader and other key personnel. Mr. Loeffler & Mrs. Schrader have other business interests as well. As a result, key personnel may have duties to other entities and their stockholders, members and limited partners, in addition to business interests in other entities. These duties to such other entities and persons may create conflicts with the duties that they owe indirectly to Company. There is a risk that their loyalties to these other entities could result in actions or inactions that are adverse to Company's business and violate their fiduciary duties to Company, which could harm the implementation of Company's investment strategy and its investment and exit opportunities.

Conflicts with Company's business and interests are most likely to arise from involvement in activities related to (1) allocation of management time and services between Company and the other entities, (2) the timing and terms of the investment in or sale of an asset, (3) marketing and leasing of the Project by affiliates of Company, (4) investments with affiliates of the Manager, and (5) compensation to the Manager and its affiliates. If Company does not successfully implement its investment strategy, Company may be unable to maintain or increase the value of the Project and its ability to pay distributions could be adversely affected.

No Separate Representation

Company, Manager, and its principles and affiliates have not been represented by separate counsel in connection with the formation of Company, Manager, or the other related entities, the drafting of this Memorandum and the LLC Agreement, any other of the various agreements and other documents or entities relevant to this Offering. Accordingly, Company has not had the benefit of independent counsel advising it on its arrangements with the Manager. The attorneys, accountants and other experts who perform services for Company and the Manager may perform similar services for Caliber and its affiliates and it is contemplated that those multiple representations will continue in the future. However, should Company or the Manager become involved in disputes, the Manager will cause the disputing parties to retain separate counsel for those matters unless the respective parties consent.

Affiliate Loans

The Manager or its affiliates may lend money to Company from time to time. There is no guarantee or assurance that Company could not find financing upon more favorable terms with a third party. The terms of the affiliate loans will be developed exclusively by the Manager and its affiliates, which may conflict with the interests of Company. In the event that Company defaults on such affiliate loans, the Manager and/or its affiliates may have certain recourse against Company, including, without limitation, accrual of default-based interest, assessment of late fees, and even foreclosure.

The Manager and/or its affiliates anticipate it will have access to a line-of-credit or other credit facility, the purpose of which is to use amounts under that line-of-credit to make loans to Company. The Manager will lend such amounts based on an interest that is higher than the interest the Manager or its affiliates will pay under the applicable line-of-credit or other credit facility.

Tax Matters Partner

Pursuant to the LLC Agreement, the Manager will be the "Tax Matters Partner" and, as a result, may make various determinations that are binding on all of the Investors and the Manager. It is possible that issues could arise in which the Manager or its affiliates, or the partners of such partnerships, might benefit from the Manager taking positions as the Tax Matters Partner that are not in best interest of one of more of the Investors.

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SUPPLEMENTAL SALES MATERIALS

In addition to this Memorandum, Company may utilize certain sales material in connection with the Offering of the Units, although only when accompanied by or preceded by the delivery of this Memorandum. The sales materials may include information relating to this Offering, the past performance of the Manager, Caliber, and its principals, and their respective affiliates, commercial real estate indices, the performance of this Offering, and as it compares to a benchmark, the performance of an investment in commercial real estate as compared to other asset classes and industry trends. The sales material may be in the form of property brochures and articles and publications concerning real estate. In certain jurisdictions, some or all of our sales material may not be permitted and will not be used in those jurisdictions.

The Offering of Units is made only by means of this Memorandum. Although the information contained in the supplemental sales material will not conflict with any of the information contained in this Memorandum, the supplemental materials do not purport to be complete, and should not be considered a part of this Memorandum.

APPENDIX A

LLC Agreement (the Company)

[attached]

APPENDIX A

AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

OF

PICKLEBALL AT RIVERWALK OPPORTUNITY ZONE FUND, LLC

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE REGULATORY AUTHORITY NOR THE REGULATORY AUTHORITY OF ANY OTHER COUNTRY HAS APPROVED OR DISAPPROVED THIS AMENDED AND RESTATED OPERATING AGREEMENT (THIS "AGREEMENT") OR THE UNITS (THE "UNITS") PROVIDED FOR HEREIN. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE UNITS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), NOR REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER COUNTRY, AND THE LIMITED LIABILITY COMPANY IS UNDER NO OBLIGATION TO REGISTER THE UNITS UNDER THE SECURITIES ACT OR ANY OTHER SUCH LAWS IN THE FUTURE.

A UNIT MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO A "U.S. PERSON," WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, IN THE ABSENCE OF AN EFFECTIVE REGISTRATION UNDER THE SECURITIES ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE MANAGER THAT SUCH REGISTRATION IS NOT REQUIRED. ADDITIONAL RESTRICTIONS ON THE TRANSFER OR ENCUMBRANCE OF UNITS ARE CONTAINED IN THIS AGREEMENT. BASED UPON THE FOREGOING, EACH ACQUIRER OF A UNIT MUST BE PREPARED TO BEAR THE ECONOMIC RISK OF INVESTMENT THEREIN FOR AN INDEFINITE PERIOD OF TIME.

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AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

OF

PICKLEBALL AT RIVERWALK OPPORTUNITY ZONE FUND, LLC

This AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "Agreement") of Pickleball at Riverwalk Opportunity Zone Fund, LLC, a Delaware limited liability company (the "Company") is made and entered into as of June 20, 2024 (the "Effective Date") by and among Pickleball at Riverwalk ManageCo, LLC, an Arizona limited liability company (the "Manager"), and those Persons who shall hereafter be admitted to the Company as members by acceptance by the Manager of a duly completed and executed Subscription Agreement (each, an "Investor Member" or a "Member").

RECITALS

A. The Company was formed as a limited liability company under the laws of the State of Delaware by the filing of a Certificate of Formation (the "Certificate") dated as of June 20, 2024 (the "Formation Date"), which was filed for recordation in the office of the Secretary of State of Delaware.

B. The Company (defined below) has been formed to offer limited liability company interests for investors who are investing proceeds correlated to the sale of property by the investor generating a capital gain for the investor where the investor elects to obtain the federal income tax benefits described in Code (defined below) Sections 1400Z-1 and 1400Z-2.

C. The Opportunity Zone Provisions relate to a federal income tax incentive described in Code (defined below) Sections 1400Z-1 and 1400Z-2 (the "Opportunity Zone Incentive") designed to encourage private capital investment in certain designated areas that have been certified by Treasury of the United States. Notwithstanding the above recitals, Manager makes no guaranty (and nothing in this Agreement should be construed as Manager making any such guaranty) that the Company will be operated or maintained in a manner consistent with the Opportunity Zone Provisions, and the Company may engage in activities or certain transactions that will disqualify or prevent it from being qualified as a "qualified opportunity fund" (as defined in Code Section 1400Z-2(d)).

D. The Manager may amend this Agreement as it deems necessary to comply with the Opportunity Zone Provisions (defined below) and shall amend this Agreement as often as the Manager deems necessary to comply with the Opportunity Zone Provisions.

NOW, THEREFORE, for and in consideration of the foregoing premises, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions. The following terms, when used in this Agreement and capitalized, shall have the meanings stated below. Appendix 1 hereof sets forth the definitions of certain terms relating to the maintenance of capital accounts and accounting rules.

"1933 Act" has the meaning set forth in Section 7.12(a) hereof.

"20% Beneficial Owner" shall mean a beneficial owner of 20% or more of the Company's outstanding equity securities, calculated on the basis of total voting power rather than on the basis of ownership of such securities.

"90% Asset Test" shall mean the Opportunity Fund investment standard described in Code Sections 1400Z-2(d)(1) and (f), as may be modified by any guidance prescribed thereunder, including without limitation, the Regulations.

"Act" means the Delaware Limited Liability Company Act, Delaware Code, Title 6, Section 18-101, et seq., as amended from time to time (or any corresponding provisions of succeeding law), and all references to specific sections thereof shall include any amended or successor provisions thereto.

"Additional Investor" has the meaning set forth in Section 3.3(a).

"Additional Membership Interests" has the meaning set forth in Section 3.5(a).

"Additional Offering" has the meaning set forth in Section 3.5(a).

"Affiliate" means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such specified Person (with the term "control" and its derivatives meaning the power to direct the management and policies of a Person, directly or indirectly, whether through the ownership of voting securities or partnership or other ownership interests, as trustee, or by contract or otherwise).

"Agreement" has the meaning set forth in the preamble hereof.

"Assumed Tax Rate" shall mean the highest applicable federal and Arizona state marginal tax rates in effect for individuals or corporations that Fiscal Year and reduced in the Manager's sole discretion, with such various reductions that may include, but are not limited to, the character of the income or gain, and the deductions set forth in Code Section 199A.

"Breach of Standard of Conduct" has the meaning set forth in Section 8.2.

"Business Days" means any day other than a Saturday or Sunday or any other day on which banks in Arizona are permitted or required by applicable law to be closed.

"Capital Account" has the meaning set forth in Section A1 of Appendix 1.

"Capital Commitment" shall mean, with respect to each Member, the aggregate amount of cash agreed to be contributed as capital to the Company by such Member as such Member's Capital Commitment pursuant to its Subscription Agreement and/or as specified on the Member Register. The Member's Capital Commitment shall be contributed as described in Article III and subject to Drawdown as described in Section 3.4 hereof.

"Capital Contribution" means with respect to any Member, the amount of money and the fair market value (as agreed by the Manager and the contributing Member) of any property contributed to the Company by a Member for the payment of Company Expenses, for investment in the Property, or for any other purpose contemplated by this Agreement, whether initially contributed or subsequently contributed as permitted hereby.

"Capital Shortfall" has the meaning set forth in Section 3.5(a).

"Certificate" has the meaning set forth in the RECITALS hereof.

"Claims" has the meaning set forth in Section 8.3(a).

"Class B Units" shall mean an equity interest in the Company representing, and represented by, Class B Units in the Company, and bearing the rights, privileges, obligations and preferences of the "Class B Units," as described herein.

"Class B Unit Holder" shall mean any Unit Holder who holds "Class B Units."

"Code" means the Internal Revenue Code of 1986, as amended from time to time. All references herein to sections of the Code shall include any corresponding provision or provisions of succeeding law.

"Company" has the meaning set forth in the preamble hereof.

"Company Entity" shall mean the Company and any other entity in which the Company holds (directly or indirectly) an interest (whether in the form of debt or equity) and any member of any "expanded affiliated group" (as defined in Code Section 1471(e)(2)) of which any Person described herein is a member.

"Company Expenses" has the meaning set forth in Section 4.8(b).

"Corporate Reorganization" has the meaning set forth in Section 12.7(a).

"Corporate Successor" has the meaning set forth in Section 12.7(a).

"Covered Person" has the meaning set forth in Section 8.2.

"Damages" has the meaning set forth in Section 8.3(a).

"Defaulting Member" has the meaning set forth in Section 3.4(f).

"Depreciation" has the meaning set forth in Section A1 of Appendix 1.

"Drag-Along Co-Seller" has the meaning set forth in Section 11.9(a).

"Drag-Along Notice" has the meaning set forth in Section 11.9(c).

"Drag-Along Right" has the meaning set forth in Section 11.9(a).

"Drag-Along Sale" has the meaning set forth in Section 11.9(a).

"Drag-Along Units" has the meaning set forth in Section 11.9(a).

"Drawdown" has the meaning set forth in Section 3.4(a).

"Drawdown Date" has the meaning set forth in Section 3.4(b).

"Drawdown Notice" has the meaning set forth in Section 3.4(b).

"Effective Date" has the meaning set forth in the preamble hereof.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended from time to time, and the regulations promulgated by the SEC thereunder.

"Family" means a natural Person's spouse, parent, sibling (by blood or adoption), or lineal ancestor or descendent by (blood or adoption) of such Person or such Person's spouse, parent or sibling.

"FATCA" has the meaning set forth in Section 5.10(a).

"Fiscal Year" means the period commencing on the date the Company commenced business or commencing on any subsequent January 1, and ending on the succeeding December 31, or, if earlier, ending on the date of dissolution and termination of the Company.

"Formation Date" has the meaning set forth in the RECITALS hereof.

"Initial Closing" shall be the first closing held by the Company on the Initial Closing Date..

"Initial Closing Date" shall be the date determined by the Manager, in its sole discretion.

"Investor Member Capital Contribution" means with respect to any Class B Unit Holder, the amount of money and the fair market value (as agreed by the Manager and the contributing Investor Member) of any property contributed to the Company with respect to the Class B Units in the Company held by such Class B Unit Holder, whether directly or indirectly.

"Investor Member" shall mean any Member who holds "Class B Units." A Member who holds Class B Units shall be considered a "Investor Member" with respect to the Class B Units held by such Person.

"Investor Member Percentage Interest" shall mean the percentage interest of a holder of Class B Units, with respect to such Class B Units, expressed as a percentage, and based upon the number of Class B Units held by such Person as compared to the number of all outstanding Class B Units held by all Persons, at such time.

"Investor Member Preferred Return" means a cumulative, non-compounded preferred return of 6% per annum on the Unreturned Capital Contributions of an Investor Member, determined on the basis of a year of 365 or 366 days, as the case may be, for the actual number of days occurring in the period for which the Investor Member Preferred Return is being determined, cumulative to the extent not distributed in any period pursuant to Section 5.1(a) and Section 5.2(a), of the average daily balance of the Unreturned Capital Contributions of a Class B Unit Holder, from to time, during the period to which the Investor Member Preferred Return relates, commencing on the date the Class B Unit Holder first makes a Capital Contribution.

"Investor Member Redemption List" has the meaning set forth in Section 5.12(a).

"Lien" means any mortgage, lien (statutory or otherwise), security interest, charge, adverse right, interest or claim, pledge, license, option, conditional sales contract, assessment, levy, hypothecation, restriction, title defect, right of refusal, or encumbrance.

"Losses" has the meaning set forth in Section A1 of Appendix 1.

"Majority Consent of the Members" means the written consent of the Class B Unit Holders who, in the aggregate, constitute or otherwise hold more than fifty percent (50%) of the Class B Units.

"Manager" has the meaning set forth in the preamble hereof.

"Members" has the meaning set forth in the preamble hereof.

"Member Assessment" has the meaning set forth in Section 9.3(d).

"Member Loan" has the meaning set forth in Section 3.6.

"Member Register" has the meaning set forth in Section 9.1.

"Membership Interest" shall mean a Member's entire interest in the Company (which shall be represented by Units), including any and all benefits to which such Member is entitled pursuant to this Agreement, together with all obligations of such Member to comply with the terms and conditions of this Agreement.

"Name and Mark" shall mean the "Pure Pickleball", and any other names and marks associated with the Company and/or the Project, together with any associated URLs, any formatives, and any abbreviated marks thereof.

"Net Cash Flow" means Net Cash Flow From Capital Events, Net Cash Flow From Operations and Net Cash Flow From Refinance.

"Net Cash Flow From Capital Events" shall mean net cash proceeds received by the Company from (i) all sales and other dispositions of property owned by the Company not in the ordinary course of business, and (ii) other extraordinary items such as the receipt of life insurance proceeds (but specifically excluding any refinancings of property); *provided, however*, such term will not include any cash proceeds to the extent the Manager reasonably decides to retain such proceeds for Reserves. Any accrued but unpaid Company Expenses may be paid from such net cash proceeds and such payment shall reduce the calculation of the Net Cash Flow From Capital Events to be paid or distributed under Section 5.2. Net cash proceeds are gross cash proceeds less the payment of transaction costs (but excluding the portion thereof determined by the Manager as necessary for the payment of Member Loan obligations of the Company) and, in the case of the sale or other disposition of property, payment of any indebtedness. Such term will include funds released from Reserves to the extent such released funds had previously been retained from cash proceeds that otherwise would have been Net Cash Flow From Capital Events. Such term will also include all principal and interest payments with respect to any note or other obligation received by the Company in connection with sales and other dispositions of property not in the ordinary course of business. "Net Cash Flow From Capital Events" of the Company will include distributions to the Company from any direct or indirect Subsidiary of net cash proceeds of that entity that are "net cash flow from capital events " of such entity(s) as determined with reference to the definition of such term herein.

"Net Cash Flow From Operations" shall mean for any period, gross cash revenues, other than Net Cash Flow From Capital Events or Net Cash Flow From Refinance, received by the Company as a result of the conduct of business operations of the Company, less the sum of the following to the extent paid or set aside by the Manager: (i) all principal and interest payments and all other sums paid on or with respect to any indebtedness of the Company (including any payments due any Member); (ii) all cash expenditures incurred incident to the operation of the Company's business, including, without limitation any Company Expenses and expenditures for capital improvements; and (iii) Reserves. Such term will include funds released from Reserves to the extent such released funds had previously been retained from distributions or revenues that otherwise would have been Net Cash Flow From Operations. "Net Cash Flow From Operations" of the Company will include distributions to the Company from any direct or indirect Subsidiary of net revenues of that entity that are "operating cash flow" of such entity(s) as determined with reference to the definition of such term herein.

"Net Cash Flow From Refinance" shall mean net cash proceeds received by the Company from all refinancings of property; *provided, however*, such term will not include any cash proceeds to the extent the Manager reasonably decides to retain such proceeds for Reserves. Any accrued but unpaid Company Expenses may be paid from such net cash proceeds and such payment shall reduce the calculation of the Net Cash Flow From Refinance to be paid or distributed under Section 5.2. Net cash proceeds are gross cash proceeds less the payment of transaction costs (but excluding the portion thereof determined by the Manager as necessary for the payment of Member Loan obligations of the Company) and, in connection with any refinancing, the portion of cash proceeds therefrom that are used to repay the indebtedness that is being refinanced. Such term will include funds released from Reserves to the extent such released funds had previously been retained from cash proceeds that otherwise would have been Net Cash Flow From Refinance. "Net Cash Flow From Refinance" of the Company will include distributions to the Company from

any direct or indirect Subsidiary of net cash proceeds of that entity that are "net cash flow from refinance" of such entity(s) as determined with reference to the definition of such term herein.

"New Funds" has the meaning set forth in Section 3.5(a).

"Offering Materials" shall mean, collectively, the Subscription Agreement, that certain Confidential Private Placement Memorandum and the appendices attached thereto (including a Confidential Investment Overview, a description of certain risk factors, and a form of this Agreement).

"Opportunity Fund" means a "qualified opportunity fund", as defined in Code Section 1400Z-2(d).

"Opportunity Fund Written Plan" means a written plan satisfying the requirements of proposed Regulations Section 1.1400Z2(d)-1(d)(3)(v), and any successor proposed, temporary, or final Regulations.

"Opportunity Zone Incentive" has the meaning set forth in the RECITALS hereof.

"Opportunity Zone Provisions" means the provisions in Code Sections 1400Z-1 and 1400Z-2, any applicable Regulations (whether proposed, temporary, or final, to the extent such regulations are effective at the applicable time), and/or any applicable guidance (whether formal or informal), which includes, but is not limited to, any applicable federal income tax forms (including instructions to such federal income forms), any applicable administrative pronouncements, and any applicable FAQs.

"OZB" means a "qualified opportunity zone business", as defined in Code Section 1400Z-2(d)(3).

"OZBP means a "qualified opportunity business property", as defined in Code Section 1400Z-2(d)(3).

"Partnership Representative" means the "partnership representative", as such term is defined in Code Section 6223, as amended by the Revised Partnership Audit Procedures (including for state and local tax purposes even if the applicable state and local taxing authority refers to the term "Tax Matters Partner" in lieu of Partnership Representative).

"Partnership Audit Procedures" means the provisions of Subchapter C of Subtitle A, Chapter 63 of the Code, as amended by P.L. 114-74, the Bipartisan Budget Act of 2015 (together with any subsequent amendments thereto, Regulations promulgated thereunder, and published administrative interpretations thereof).

"Permitted Transfer" has the meaning set forth in Section 11.2.

"Permitted Transferee" means: (a) if the owner of the Units to be Transferred is a natural Person, any member of his or her Family, or a custodian, trustee or other fiduciary for the account of such Person or member of his or her Family; (b) in the case of a Member who is a natural person and who dies, any Person who acquires ownership of any Units of such deceased

Member as a result of such death pursuant to any last will and testament or equivalent instrument or any applicable laws governing intestate succession; (c) if the owner of the Units to be Transferred is not a natural Person, its owners, members, general partners, limited partners or Affiliates; and (d) any Affiliate of the owner of the Units to be Transferred; *provided*, *however*, such Affiliate must continue to be wholly owned by such owner and/or its Permitted Transferees.

"Person" means any individual, firm, corporation, partnership, limited liability company, trust, estate, association or other legal entity.

"Pooled Investor" shall mean any Member that was formed by more than one Person specifically to invest in the Company, including any so called "blocker" corporation formed by any tax-exempt or foreign investor(s).

"Pooled Investor Expenses" shall mean all costs and expenses associated with operating a Pooled Investor, including all organizational expenses and all expenses associated with its management, operation, winding-up, liquidating and dissolution and with preparing and distributing such Pooled Investor's financial statements, tax returns and Pooled Investor member reports, including insurance, consulting, brokerage, interest, custodial, accounting, legal and similar fees, but not including any income based or similar taxes, fees or other governmental charges levied against such Pooled Investor.

"Proceeding" has the meaning set forth in Section 8.3(a).

"Profits" means the profits of the Company as defined in Section A1 of Appendix 1.

"Proposed Transferee" has the meaning set forth in Section 11.9(c).

"Public Registration" means any event or circumstance that results in the creation of a public trading market for the Units (or the common stock or other equity securities of the Corporate Successor, if and as applicable) in the United States, Canada or any other jurisdiction, whether through (1) the registration of such Units, common stock or other equity securities in the United States under the Securities Act and/or the Exchange Act, (2) the registration of such Units, common stock or other equity securities in in the United States, Canada or any other jurisdiction under applicable securities laws and regulations, (3) a reverse merger, equity exchange or similar transaction with another Person the equity securities of which are already listed on a securities exchange or otherwise publicly traded, or (4) any other available transaction or method, in each case, subject to the Manager's determination in good faith that such Public Registration is in the best interests of the Company or the Corporate Successor, as applicable, and the holders of its Units, common stock or other equity securities, as applicable.

"Redemption List" has the meaning set forth in Section 5.11(a).

"Redemption Request" has the meaning set forth in Section 5.11(a).

"Regulations" mean the federal income tax regulations, including any temporary regulations, promulgated under the Code, as the same may be amended from time to time (including corresponding provisions of successor regulations). With respect to the Opportunity

Zone Provisions, the term Regulations shall include proposed, temporary, and/or final regulations, to the extent such regulations are effective at the applicable time.

"Regulation D" has the meaning set forth in Section 7.12(a) hereof.

"Reserves" shall mean all amounts held by the Company in reserve for the purpose of satisfying obligations of the Company and any other purpose as approved by the Manager.

"Revised Partnership Audit Procedures" shall mean the revised rules for auditing partnerships contained in the Bipartisan Budget Act of 2015, signed into law on November 2, 2015, and the Regulations thereunder.

"Shutout Period" means the first 18 months immediately following a Member's acquisition of Units.

"Side Letters" has the meaning set forth in Section 13.5.

"Subscription Agreement" shall mean the Subscription Agreement executed by an Investor Member in form and substance satisfactory to the Manager evidencing its agreement to be bound hereby.

"Subsequent Closing" has the meaning set forth in Section 3.3(a).

"Subsidiary" shall mean an entity owned by the Company; provided, however, any entity owned by the Company shall be an entity disregarded as being separate from its owner for federal income tax purposes.

"Substitute Member" means a Person who acquires Units from a Member and who satisfies all of the conditions of Section 11.4.

"Tax Defaulting Member" has the meaning set forth in Section 9.3(d)(i).

"Tax Payable" has the meaning set forth in Section 9.3(d).

"Taxing Jurisdiction" means any Federal, state, local, or foreign government that collects tax, interest, and penalties, however designated, on any Member's share of income or gain attributable to the Company.

"Transfer" means (a) when used as a noun, any direct or indirect voluntary or involuntary sale, assignment, gift, transfer, or other disposition and (b) when used as a verb, voluntarily or involuntarily to sell, assign, gift, dispose, or otherwise transfer.

"Unit" shall be the fractional parts of a Member's Membership Interest. All of the Units owned by a particular Member shall constitute that Member's entire Membership Interest in the Company.

"Unpaid Preferred Return" shall mean, with respect to an Investor Member as of any given date, the excess, if any, of (i) the Investor Member Preferred Return accrued to such

date, over (ii) the actual distributions made by the Company to such Investor Member pursuant to Section 5.1(a) and Section 5.2(a).

"Unreturned Capital Contribution" means with respect to any Class B Unit, the total Capital Contributions made with respect to that Class B Unit, less all amounts actually distributed with respect to that Unit pursuant to Section 5.2(b).

"Withdrawal Event" means the occurrence of any of the following events with respect to any Member:

(a) The Person voluntarily withdraws from the Company without the consent of the Manager, except as expressly permitted herein;

(b) The Person does any of the following: (i) makes an assignment for the benefit of creditors; (ii) files a voluntary petition in bankruptcy; (iii) is adjudicated as bankrupt or insolvent; or (iv) files a petition or answer seeking for the Member any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or rule; (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Member in a bankruptcy, insolvency, reorganization or similar proceeding; or (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Member, or of all or any substantial part of the Member's property; and

(c) If (i) within twenty (20) days after the commencement of any proceeding against a Member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, the proceeding has not been dismissed, or (ii) within ninety (90) days after the appointment without the Member's consent or acquiescence of a trustee, receiver or liquidator of the Member or of all or any substantial part of the Member's property, the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any such stay, the appointment is not vacated.

"Withdrawn Member" means a Member following the occurrence of a Withdrawal Event with respect to such Member.

1.2 Generic Terms. Unless the context clearly indicates otherwise, where appropriate, the singular shall include the plural and the masculine shall include the feminine or neuter, and vice versa, to the extent necessary to give the terms defined in this Article I and the terms otherwise used in this Agreement their proper meanings. The use of the terms "including" or "include" shall in all cases herein mean "including, without limitation" or "include, without limitation, " respectively.

ARTICLE II
FORMATION AND PURPOSE OF THE COMPANY

2.1 General. The Company has been formed pursuant to the Act and the terms of this Agreement, effective upon the filing of the Certificate with the Secretary of State for the State of Delaware. The Members shall execute and acknowledge any and all certificates and instruments and do all filing, recording, and other acts as may be necessary or appropriate to comply with the requirements of the Act relating to the formation, operation, and maintenance of the Company in accordance with the terms of this Agreement.

2.2 Name. The name of the Company shall be "Pickleball at Riverwalk Opportunity Zone Fund, LLC" and the business of the Company shall be carried on in this name with such variations and changes as the Manager deems necessary or appropriate to comply with requirements of the jurisdictions in which the Company's operations shall be conducted.

2.3 Purposes and Powers.

(a) The Company has been organized for purposes of:

(i) being an Opportunity Fund;

(ii) purchase and hold equity interests in Pickleball at Riverwalk FundCo, LLC, a Delaware limited liability company; and

(iii) to engage in any lawful act or activity and to exercise any powers permitted to limited liability companies organized under the laws of the State of Delaware that are related or incidental to and necessary, convenient or advisable for the accomplishment of the above-mentioned purposes.

2.4 Known Place of Business. The known place of business shall be located at such location as identified by the Manager from time to time. The Manager shall be authorized to change the location of the known place of business of the Company; *provided*, *however*, that such change is authorized under the Act and the Manager provides written notice of such change to all of the Members.

2.5 Term. The term of the Company commenced on the filing of the Certificate and shall not expire except in accordance with the provisions of Article XII hereof or in accordance with the Act.

2.6 Company Classification. The Members intend that the Company always be operated in a manner consistent with its treatment as a "partnership" for federal and state income tax purposes. The Members also intend that the Company not be operated or treated as a "partnership" for purposes of Section 303 of Title 11 of the United States Code (relating to bankruptcy). Neither the Manager nor the Members may take any action inconsistent with the express intent of the parties hereto. The Company is not a "partnership" for purposes of any state law partnership act or limited partnership act and the Members are not partners for purposes of such acts.

2.7 Name and Mark.

(a) Notwithstanding any provision of this Agreement to the contrary, the Members acknowledge and agree that: (i) the Name and Mark are the property of PURE Pickleball Company, LLC, a Delaware limited liability company ("PPC") or its Affiliates (other than the Company) and in no respect shall the limited right to use the Name and Mark be deemed an asset of the Company and the Property Entity; (ii) the Company's or the Property Entity's limited right to use the Name and Mark may be withdrawn by PPC or its Affiliates at any time without compensation to the Company or the Property Entity; (iii) the Company and the Property Entity have no right to license, sublicense, assign, or otherwise transfer any right, title or interest in or to the Name and Mark; (iv) no Member shall, by virtue of its ownership of an interest in the Company or the Property Entity, hold any right, title or interest in or to the Name and Mark; (v) all goodwill and similar value associated with the Name and Mark are owned by, and shall accrue solely for the benefit of, PPC or its Affiliates (other than the Company); and (vi) following the dissolution and liquidation of the Company and/or the Property Entity, the limited right of the Company and the Property Entity to use the Name and Mark shall be terminated. Except as specifically authorized by PPC or its Affiliate in writing, in no event shall any Member use the Name and Mark for its own account.

(b) Subject to Section 2.7(a), the PPC has granted to the Company and the Property Entity (and their Affiliates), and such entities have accepted, a non-exclusive, non-assignable, non-sublicensable, royalty-free license to use, during the term of such entities, the Name and Mark as part of the legal name of such entities; and otherwise in connection with the conduct by the Company and the Property Entity of their activities in accordance with this Agreement and such other documents relating to the same.

(c) PPC and its Affiliates shall be entitled to take all reasonable actions to protect their ownership of the Name and Mark. The Company shall use the Name and Mark only in a manner and format approved in writing by PPC, and only in connection with goods or services adhering to such standards, specifications, and instructions as are developed by PPC and its Affiliates (other than the Company). If PPC or such Affiliates determine that the Company is not using, or cannot use, the Name and Mark in accordance with such format, manner, standards, specifications, and instructions, the Company shall cure the cause of such failure or, if PPC determines that the Company cannot or should not cure such failure, discontinue such non-conforming use. PPC shall have the right to present to its Affiliates all information concerning the Company's use of the Name and Mark as shall be reasonably necessary for such Affiliates to determine whether such format, manner, standards, specifications, and instructions have been, and are likely to be, satisfied.

(d) If the name, mark or URL of the Company or its subsidiaries are changed, the foregoing provisions of this Section 2.7 shall apply equally to the new name, mark or URL.

ARTICLE III
CAPITAL CONTRIBUTIONS

3.1 Authorized Capitalization.

(a) The Company shall initially have one class of units which are designated herein as the "Class B Units". The name and address of each Member, the Capital Commitment of each Member, the amount of Capital Contributions to the Company by each Member, and the number of Class B Units held by each Member is set forth on the Member Register. Such list shall be amended from time to time to reflect any changes to the names and addresses of the Members (as permitted in accordance with this Agreement), additional Class B Units issued by the Company, any changes to the Capital Commitments or Capital Contributions of the respective Members, and any Class B Units transferred in accordance with this Agreement. Members who change their addresses following the issuance of Class B Units shall advise the Company of any such change of address. The Manager shall be authorized to issue certificates reflecting the number of Class B Units held by each Member of the Company.

(b) Each Investor Member shall make a Capital Commitment pursuant to its Subscription Agreement and will be allocated one Class B Unit for each $1,000.00 of Capital Contributions actually made to the Company, or such other amount as the Manager deems to be in the best interests of the Company. Class B Units shall only be issued in accordance with the terms of this Agreement, the Subscription Agreement and/or any applicable Side Letter.

(c) The Manager may, from time to time and in in accordance with the terms and conditions of this Agreement (i) authorize and issue additional Units, (ii) admit Persons as Members in exchange for such Capital Commitments or such other consideration (including past or future services) and on such terms and conditions (including vesting and forfeiture provisions in the case of Units issued to employees and consultants) as determined by the Manager, and (iii) create additional classes of units having such rights and privileges as determined by the Manager in its sole discretion; provided, however, in no event may the Company issue Class B Units (or a separate class of Units) that result in more than the Manager reasonably determines as necessary ("Maximum Raise Amount") consistent with the stated purposes of the Company. Subject to Section 13.4, the Manager is hereby authorized to amend this Agreement to reflect any such additional capitalization without the consent of any other Member.

3.2 Initial Capital Contributions.

(a) The Manager shall, in its discretion, determine the date or dates on which Investor Members will be admitted to the Company (each, a "Closing Date"). Capital Commitments and Capital Contributions made by any Member pursuant to this Section 3.2 shall not require any consent or approval of any other Member.

(b) Each Investor Member has unconditionally agreed to make contributions of cash to the capital of the Company in accordance with and subject to the terms of this Agreement, in the aggregate amount equal to such Investor Member's Capital Commitment as reflected in the Investor Member's Subscription Agreement. The Investor Members have made any initial Capital Contributions provided for in their Subscription Agreements and as reflected on the Member

Register, on or about the Effective Date or the applicable Closing Date in which such Investor Member participated. The Investor Members' remaining Capital Commitments shall be contributed at such times and in such amounts as are specified by the Manager in a Drawdown Notice, as provided in Section 3.4. Each Investor Member has executed and delivered to the Company a Subscription Agreement, pursuant to which each such Investor Member, among other things, (i) agrees to subscribe for and purchase the number of Class B Units specified in the Subscription Agreement in exchange for its Capital Commitment, (ii) agrees to pay its Capital Contributions in accordance with its Capital Commitment as set forth in the Subscription Agreement, subject to the terms and conditions set forth in this Agreement and the Subscription Agreement, and (iii) makes certain representations and warranties to the Company. The Capital Commitments and Capital Contributions of the Investor Members shall be reflected on the Member Register, as the Member Register may from time to time be amended by the Manager or as otherwise modified pursuant to this Agreement. Under such Subscription Agreement and other documents, such subscriber shall, subject to acceptance of its subscription by the Manager, execute a counterpart of, and agree to be bound by, this Agreement. Such execution of this Agreement may be directly or via the power of attorney granted pursuant to the Investor Member's Subscription Agreement.

(c) Manager shall have the right, from time to time, to reduce its aggregate Capital Contributions by receiving reimbursement distributions from the Company, which such reimbursement distributions may be funded with Capital Contributions from other Members; *provided*, that the Manager shall at all times have made a Capital Contribution of at least $1,000.

(d) Except as otherwise provided in Section 3.2(d), the Manager shall cause the Company to apply the cash proceeds of each Member's Capital Contribution (i) to make investments in Property, and (ii) to the payment of the Company Expenses; *provided*, *however*, that to the extent that any of the aforementioned costs and/or expenses have not yet been incurred by the Company, the Manager shall set aside an amount equal to the Manager's good faith estimate of such costs.

3.3 Subsequent Closings.

(a) The Manager may accept new Members (each, an "Additional Investor") and subscriptions for additional Class B Units by existing Members in one or more closings subsequent to the Initial Closing Date (each, a "Subsequent Closing"). For purposes of this Section 3.3, an existing Member that subscribes for additional Class B Units shall be treated as an Additional Investor with respect to the additional Class B Units. Each Additional Investor shall be admitted to the Company as a Member of the Company upon its execution of a counterpart to this Agreement (subject to due acceptance by the Manager of any such Investor Member's Subscription Agreement), by which it agrees to be bound by all of the terms and conditions of this Agreement; *provided*, that an existing Member that subscribes for additional Class B Units need not execute an additional counterpart to this Agreement in connection with such subscription for additional Class B Units. Each Additional Investor shall be treated as having been a party to this Agreement, and any such subscription for additional Class B Units shall be treated as having been made, as of the Initial Closing Date for all purposes, except that any such Additional Investor shall not participate in any way in any distributions or income allocations made prior to the date of the Subsequent Closing on which the Member was admitted to the Company.

(b) In connection with any Subsequent Closing, each Additional Investor will make Capital Contributions to the Company in an amount equal to the aggregate Capital Contributions that would have been due to the Company from such Additional Investor if such Additional Investor had been admitted at the Initial Closing.

(c) In the case of an existing Member that, pursuant to Section 3.3(b), increases its Capital Commitment after the Initial Closing, such existing Member shall be subject to the provisions of Section 3.3(c) with respect to the amount of such increase as if newly admitted to the Company.

3.4 Drawdowns and Drawdown Notices.

(a) Generally. The Manager may cause the Company to draw down the Members' Capital Commitments (a "Drawdown") at such times and in such amounts as the Manager in its sole discretion determines necessary or appropriate to (i) advance, enhance, preserve or protect the Company's direct or indirect interest in any property owned directly or indirectly by the Company (including, without limitation, the Property), or (ii) otherwise advance, enhance, preserve or protect the business and purposes of the Company. Any such Drawdown of the Members' Capital Commitments will be drawn down by the Company *pro rata* from the Members in proportion to their relative unfunded Capital Commitment balances until all Members have fully funded their respective Capital Commitments.

(b) Drawdowns for Commitments; Expiration of Commitments. The Manager shall specify the time of each Drawdown in a written notice (a "Drawdown Notice") delivered to the Members at least five (5) days prior to the date of such Drawdown (the "Drawdown Date").

(c) Each Drawdown Notice shall set forth:

(i) The scheduled Drawdown Date and the total amount of Capital Contributions to be made by all Members on the Drawdown Date;

(ii) The required Capital Contribution to be made by the Member to which the Drawdown Notice is directed;

(iii) The Company account to which such Capital Contribution shall be paid, including wiring and routing information; and

(iv) Any other information that the Manager in its sole discretion determines should be set forth in the Drawdown Notice.

(d) Rescission; Postponement. Any Drawdown in respect of which a Drawdown Notice has been delivered may be rescinded or postponed by the Manager one or more times. The Manager shall give prompt written notice (but in any event not later than two (2) Business Days prior to the Drawdown Date) to each Member of any such rescission or postponement, whereupon any rescheduled Drawdown Date shall constitute the Drawdown Date for all purposes under this Agreement. A notice of postponement shall restate the entire Drawdown Notice and indicate to the Members any material changes in the information contained in the original Drawdown Notice.

(e) Form. All Capital Contributions shall be made to the Company by wire transfer of immediately available funds by 1:00 p.m. (Arizona Time) on the relevant Drawdown Date to the account designated by the Manager for such purpose.

(f) Default on Commitment. If any Member (a "Defaulting Member") fails to make full payment of any portion of its Capital Commitment when due and such failure is not cured within five (5) days, subject to any extensions granted by the Manager, after receipt by such Member of written notice from the Manager with respect to such failure to pay, the Manager may, in its sole discretion, exercise or undertake any one or more of the following rights or remedies in any order of priority or simultaneously:

(i) The Company may pursue and enforce all rights and remedies the Company may have against such Defaulting Member with respect thereto, including without limitation those remedies set forth in Section 3.5 and a lawsuit to collect the overdue amount and any amount due to the Company pursuant to Section 3.4, with interest calculated thereon at eighteen percent (18%) per annum, plus out-of-pocket legal and collection costs. Such interest and costs will be treated as income of, or reimbursement to, the Company, not as a Capital Contribution of the Defaulting Member.

(ii) In addition to, or instead of, the other remedies and undertakings available to the Manager pursuant to this Section 3.4(f), the Manager may, in its sole discretion, reduce the Defaulting Member's number of Class B Units (including allocations and distributions associated therewith) by up to one hundred percent (100%) of those allocated to the Defaulting Member as of the date of default. The Manager may also cause the Defaulting Member's Capital Account balance to be reduced by up to one hundred percent (100%) of such balance as of the date of default. The Class B Units (and allocations and distributions associated therewith) and/or Capital Account balance of a Defaulting Member forfeited hereunder shall be re-apportioned among the other Members in proportion to their relative number of Class B Units.

(iii) The Company may borrow funds, from the Manager, any other Member(s) or from third parties, on such terms as the Manager may, in its sole discretion, determine to cover the deficiency caused by the Defaulting Member.

(iv) The Manager may assist the Defaulting Member in finding a buyer for the Defaulting Member's Membership Interest.

(v) Notwithstanding anything contained in the Agreement to the contrary, while a Member is a Defaulting Member such Defaulting Member will have no voting or consent rights under the Agreement and the determination of any requisite vote or consent shall be determined as if such Defaulting Member's Class B Units were not outstanding.

(vi) No consent of any Member shall be required as a condition precedent to any exercise of any right or remedy under this Section 3.4(f) or any transfer, assignment or other disposition of a Defaulting Member's Membership Interest pursuant to this Section 3.4(f), and the Manager shall have the authority to unilaterally amend the

Agreement and the Member Register on behalf of the Company and all Members, to reflect the election and exercise of remedies and rights under this Section 3.4(f).

(g) The Members may, upon the written consent of the Manager, which consent shall not be unreasonable withheld, delayed, or conditioned, fund any Capital Contributions to be funded pursuant to Section 3.4 or Section 3.5 through a separate entity other than the Person who initially subscribed for Class B Units and is the current Member of the Fund; *provided*, *however*, (i) such additional entity shall be controlled by the same Persons as the applicable Member; (ii) such additional entity shall duly complete and execute a Subscription Agreement and such other items and documents as reasonably required by the Manager; and (iii) the admission of such additional entity shall not cause the Company or any Affiliate to violate any law or Opportunity Zone Provision, as determined by the Manager in its sole discretion.

3.5 Issuance of Additional Units Upon a Shortfall.

(a) Generally. To the extent the Manager in good faith reasonably determines at any time after the date hereof that Company funds ("New Funds") are necessary or appropriate (a "Capital Shortfall"), then the Manager may, without the consent of any Member but subject to the requirements of this Section 3.5 raise additional capital in an amount equal to the Capital Shortfall by the issuance of additional Class B Units or another class of Membership Interests to Persons who upon their subscription to such additional Class B Units or other Membership Interests ("Additional Membership Interests") would be admitted to the Company as additional Members (an "Additional Offering"). Such Additional Membership Interests shall be issued at their then current fair market value and may have new or different classes of units that entitle such additional Members to distributions of Net Cash Flow From Operations, Net Cash Flow From Refinance or Net Cash Flow From Capital Events that are superior to, subordinate to or *pari passu* with the Class B Units, or that have consent or voting rights that are different than the consent or voting rights of the then existing Members. Any fair market value calculation or distribution, consent or voting rights associated with Additional Membership Interests shall be determined by the Manager in its reasonable discretion. For the sake of clarity, the effect of the issuance of any Additional Membership Interests shall be borne proportionately among all Members and Article V shall be revised accordingly in connection with the issuance of such Additional Membership Interests.

(b) Adjustments. Upon the admission of any additional Member in accordance with this Section 3.5, the Manager shall amend or supplement the Member Register as appropriate to reflect changes to the Members of the Company and the corresponding capitalization.

(c) Amendment of Agreement. Notwithstanding any contrary provision of this Agreement, all of the Members hereby consent to the admission of any Member admitted in accordance with this Section 3.5 and expressly authorize and direct the Manager to (i) admit new Members to the Company and, to the extent provided in this Section 3.5, dilute the Members hereunder, in order to raise additional equity capital, and (ii) make all necessary conforming amendments to this Agreement to reflect the same, all without the consent or signature of the Members. Although the provisions of this Section 3.5(c) are intended to be self-executing, any Member shall, upon the request of the Manager, consent to and sign all conforming amendments to this Agreement (and any other documents) necessary to reflect the admission of the additional

Members and the dilution of the Members consistent with this Section 3.5. Each Member hereby makes, constitutes, and appoints the Manager and each successor Manager, severally, with full power of substitution and re-substitution, its true and lawful attorney-in-fact for such Member and in such Member's name, place, and stead and for such Member's use and benefit, to sign, execute, certify, acknowledge, swear to, file, publish, and record any certificate or instrument, including but not limited to any amendment to this Agreement, but only to the extent necessary or desirable to give effect to this Section 3.5.

3.6 Other Member Loans / Company Loans.

(a) Member/ Manager Loans. The Manager or an Affiliate thereof may make or, may permit any Member to make, a loan to the Company for any purpose that the Company is permitted to borrow funds under this Agreement (a "Member Loan") in such amount and on such terms as approved by the Manager so long as such terms are generally no less advantageous to the Company than would be the case if such transaction had been effected with a third-party. Additionally, any loan made to the Company by the Manager or its Affiliate must be no less advantageous to the Company than would be the case if such transaction had been effected with a third-party.

(b) Company Loans. The Company shall not make any loan to any Member or to the Manager or any of its Affiliates, other than to a Subsidiary.

3.7 Use of Capital Contributions. All Capital Contributions shall be expended only in furtherance of the business purposes of the Company as set forth in Section 2.3 hereof.

3.8 Capital Accounts. A Capital Account shall be maintained for each Member in accordance with Regulations Section 1.704-1(b)(2)(iv).

3.9 Revaluations of Assets and Capital Account Adjustments. Unless otherwise determined by the Manager, immediately preceding the issuance of additional Class B Units in exchange for cash, property or services to a new or existing Member, upon the redemption of the Membership Interest of a Member and at such other times as determined by the Manager in accordance with Regulations Section 1.704-1(b)(2)(iv)(f), the then-prevailing Capital Account Asset Values of the Company shall be adjusted to equal their respective fair market values and the Members' Capital Accounts shall be adjusted to reflect any change in the net equity value of the Company.

3.10 Pooled Investors. Each Pooled Investor that is a Member of the Company shall use its commercially reasonable efforts to pursue remedies against any investor of such Pooled Investor that defaults upon its obligations to such Pooled Investor that would cause the Pooled Investor to be unable to satisfy its Commitment to the Company.

3.11 No Right to Interest or Return of Capital. Except as set forth herein, no Member shall be entitled to any return of or interest on Capital Contributions to the Company. No Member shall have the right to receive property other than cash in return for its Capital Contribution. No Member shall have any liability for the repayment of the Capital Contribution of any other Member and each Member shall look only to the assets of the Company for return of its Capital Contribution.

3.12 No Third Party Rights. The obligations or rights of the Company or the Members to make or require any Capital Contribution under this Article III shall not grant any rights to or confer any benefits upon any Person who is not a Member.

ARTICLE IV
MANAGEMENT

4.1 Management. Except as otherwise specifically stated in this Agreement, the Manager shall have sole and unfettered discretion to make, take and/or provide all determinations, decisions, consents, approvals, and similar actions regarding the business and affairs of the Company, including all day-to-day and major determinations, decisions, consents, approvals, and similar actions; *provided*, that to the extent the powers of the Manager have been delegated to one or more officers, such officers shall have the exclusive authority to act with respect to such matters. The Manager shall hold office until such Manager's earlier resignation, expulsion or removal in accordance with this Agreement. The initial Manager shall be the Manager. Without limiting the generality of the foregoing, in addition to the rights and obligations of the Manager provided for elsewhere in this Agreement, the Members hereby authorize the Manager:

(a) to supervise the business of the Company and to make those general decisions regarding the affairs of the Company;

(b) to preside at all Company meetings;

(c) to open accounts in the name of the Company with banks and other financial institutions and designate, replace and remove from time to time all signatories on such bank accounts, but without excluding any Manager;

(d) to invest Company funds for the benefit of the Company temporarily in time deposits, short-term governmental obligations, commercial paper or other investments;

(e) to pay all bills, invoices and expenses properly incurred by and on behalf of the Company;

(f) to purchase policies of comprehensive general liability insurance and to purchase such other insurance coverage as the Manager shall determine to be necessary or desirable to insure Covered Persons (including in connection with the Company's indemnification obligations hereunder) or to protect the Company's assets and business;

(g) to execute on behalf of the Company all agreements, contracts, instruments and documents including checks, drafts, notes and other negotiable instruments, mortgages or deeds of trust, security agreements, financing statements, documents providing for the acquisition, lease, mortgage or disposition of the Company's assets, assignments, bills of sale, leases, and any other instruments or documents in connection with the business of the Company;

(h) to employ accountants, legal counsel, consultants, independent contractors and other Persons to perform services for the Company and to compensate them from Company funds;

(i) to comply with, or cause to be complied with, all provisions of the Act governing the administration of a limited liability company, including filing with the Secretary of State of Delaware any required amendment to the Company's Certificate of Formation;

(j) to keep all books of account and other records required by the Company, keep vouchers, statements, receipted bills and invoices and all other records, covering all collections, disbursements and other data in connection with the Company;

(k) to prosecute, defend, compromise and settle claims by or against the Company;

(l) subject to any other requirements in this Agreement, to determine if and when distributions shall be made to the Members;

(m) to prepay in whole or in part, refinance, increase, modify, or extend any loans liabilities of the Company and, in connection therewith, execute any extensions or renewals of encumbrances on any or all of the assets of the Company;

(n) sell all or substantially all of the property of the Company;

(o) to amend this Agreement to comply with the Opportunity Zone Provisions, with each Member hereby agreeing to be bound by the provisions of any such amendment;

(p) create, enter into, modify, and/or cause the Company to comply with, an Opportunity Fund Written Plan;

(q) merge or consolidate the Company with any other entity, or otherwise cause the Company to participate in any reorganization with any other entity (including if the purpose of such transaction is to change the purpose of the Company under Section 2.3); and

(r) to perform such other acts as are set forth herein or as any Manager shall determine to be necessary or appropriate in connection with the Company's business.

4.2 Reliance Upon Actions by the Manager. Any Person dealing with the Company may rely without any duty of inquiry upon any action taken by the Manager on behalf of the Company. Any and all deeds, bills of sale, assignments, mortgages, deeds of trust, security agreements, promissory notes, leases, and other contracts, agreements or instruments executed by the Manager on behalf of the Company shall be binding upon the Company, and all Members agree that a copy of this provision may be shown to the appropriate parties in order to confirm the same. Without limiting the generality of the foregoing, any Person dealing with the Company may rely upon a certificate or written statement signed by the Manager as to:

(a) The identity of the Manager or any Member;

(b) The existence or nonexistence of any fact or facts that constitute a condition precedent to acts by the Manager or that are in any other manner germane to the affairs of the Company;

(c) The Persons who are authorized to execute and deliver any instrument or documents on behalf of the Company; or

(d) Any act or failure to act by the Company on any other matter whatsoever involving the Company or any Member.

4.3 Tenure, Qualifications.

(a) The Manager shall hold office until the earlier of its resignation or removal.

(b) The Manager shall not be required to be a resident of the State of Delaware.

4.4 Resignation. The Manager may resign at any time by delivering written notice to all Members. The resignation of the Manager shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Such resignation shall not affect the Manager's rights and liabilities as a Member, if applicable.

4.5 Removal. The Manager may be removed only for Cause upon the approval of the Investor Members holding an aggregate of not less than 75% of the Class B Units (voting as a single class) in the Company. "Cause" shall mean the determination of a court of competent jurisdiction that one of the following events occurred: (i) the Manager willfully or intentionally violated, or recklessly disregarded, the Manager's duties to the Company and such violation has caused the Company a material adverse effect; or (ii) the Manager committed any act involving fraud, bad faith, gross negligence, dishonesty, or moral turpitude in its duties and responsibilities to the Company. Notwithstanding any provision contained herein, it shall not be considered bad faith, gross negligence, dishonesty if the Company fails to qualify as an Opportunity Fund or fails to comply with applicable Opportunity Zone Provisions. Each Investor hereby represents and warrants that the Company, the Manager, and its affiliates have no obligation to conduct the business of the Company or otherwise verify that the Company qualifies as an OZB or is otherwise in compliance with the Opportunity Zone Provisions, and in no event shall the Company, the Manager, or any of their respective Affiliates have any liability with such failure. Each Investor hereby represents warrants that it is not making an investment into the Company and acquiring any Class B Units with an expectation that the Company will qualify, or continue to qualify in the event it initially qualifies, as an OZB or that the Company will be operated in a manner consistent with the Opportunity Zone Provisions.

4.6 Vacancies. Any vacancy occurring for any reason in the office of Manager may be filled by the consent of a Majority Consent of the Members.

4.7 Officers. The Manager may, but shall not be required to, create such offices as it deems appropriate, including, but not limited to, Managing Director, Director, Chief Executive Officer, President, Executive Vice President, Senior Vice President(s), Vice President(s), Secretary and Treasurer. The officers shall have such duties as are assigned to them by the Manager from time to time and shall be authorized and directed to take such action as specifically authorized and delegated to such officers by the Manager including, without limitation, the authority to open bank accounts as such officers shall deem appropriate from time to time and to execute and deliver certificates, agreements or other documents as requested by such banks;

provided, *however*, no officer may take any action that the Manager would be prohibited from taking under this Agreement. All officers shall serve at the pleasure of the Manager; the Manager may remove any officer from office without cause and any officer may resign at any time. Officer compensation shall be determined by the Manager.

4.8 Compensation; Expenses.

(a) The Company shall pay or reimburse the Manager and its Affiliates, as applicable, for all Company Expenses incurred or paid on behalf of the Company prior to or after the formation of the Company including, without limitation, all direct or indirect costs, fees, expenses, liabilities and obligations incurred by the Manager and its Affiliates in connection with the business of the Company and the acquisition, development, management, ownership, and disposition of the Property as the case may be, at the rates set forth on Exhibit A. Expenses to be borne by the Company ("Company Expenses") shall include, without limitation, the following costs and expenses associated with the formation, operation, dissolution, winding-up, or termination of the Company and Manager, and the syndication of interests therein: (1) acquiring, holding, monitoring, developing, renovating, and the sale, exchange or other disposition of all or any portion of the Property or any asset of the Company, or a potential sale, exchange or other disposition of all or any portion of the Property (including legal, accounting, investment banking, finder's, consulting, appraisal and other similar fees and expenses, insurance, financing and other commitment fees, and similar transaction and monitoring fees); (2) expenses associated with the organization of the Manager (or its Affiliates, as applicable) and the Company and any of its subsidiaries; (3) legal, accounting, audit, tax, custodial and other professional fees, as well as consulting fees relating to services rendered to the Company and the Manager; (4) banking, brokerage, broken-deal, registration, qualification, finders, depositary and similar fees or commissions; (5) transfer, capital and other taxes, duties and costs incurred in acquiring, holding, selling or otherwise disposing of Company assets; (6) insurance premiums, indemnifications, costs of litigation and other extraordinary expenses; (7) costs of financial statements and other reports to Members of the Company, as well as costs of all governmental returns, reports and other filings; (8) costs of meetings of the Members and meetings of an advisory board, if any; (9) interest expenses; (10) advertising and public notice costs; (11) costs and expenses incurred by the Partnership Representative in its capacity as such; (12) travel and other expenses incurred in investigating or evaluating investment opportunities; (13) the preparation and filing of any reports, documents, forms, and other items that are needed to comply with the Opportunity Zone Incentive and the Opportunity Zone Provisions and (14) any other expenses not listed in the preceding clauses (1) through (13) that are reasonably related to the business of the Company, its subsidiaries and the Manager. To the extent any such costs are incurred and paid for by the Manager (or its Affiliates, as applicable), whether prior to or after the Company's formation, the Company shall reimburse the Manager (or its Affiliates, as applicable) therefor. Any reference to the Company in this Section 4.8 shall include any similar expenses of any subsidiary of the Company. Pooled Investor Expenses may be borne by the Company or the Pooled Investor as determined by the Manager in its sole discretion. The Manager may establish an operating Reserve from the proceeds of the Members' initial Capital Contributions. The Manager may use the proceeds of the Reserve to pay for Company Expenses and other obligations, including Manager Related Party Transactions, or to make additional capital contributions to its investment portfolio.

(b) The Members understand and acknowledge that the Company, one or more Company subsidiaries or Affiliates thereof (and the Manager on behalf of the Company, one or more Company subsidiaries or Affiliates thereof) may be transacting business with the Manager and its Affiliates (any such transactions, the "Manager Related Party Transactions"), including, without limitation, those set forth on Exhibit A attached hereto; provided, however, such Manager Related Party Transactions must be: (i) on such terms and conditions that are no more favorable to the Manager or its Affiliate than would be given to a third-party service provider providing similar services based on arms-length terms, or (ii) immaterial to the overall business or financial performance of the Company (which the Members acknowledge and agree that "immaterial" shall be deemed to mean no more than 0.05% of the total assets of the Company (with "total assets" determined based on the total assets of the Company as reported on its balance sheet from time to time (i.e. total property, plant and equipment as reported on the balance sheet) in the aggregate for all services performed that are deemed "immaterial"), with items (i) and (ii) immediately above being determined by the Manager in its reasonable discretion. Such Manager Related Party Transactions may include but may not be limited to asset management, accounting and reporting services, property management, construction, development, technical and pre-opening, renovation management, procurement, general contractor, legal, accounting, centralized services, media, advertising and signage, branding and outlet consulting, servicing, finance, origination, guaranty, sale or disposition fees payable to the Manager or any other Affiliate of the Manager. To the extent such Manager Related Party Transactions have been described herein, including on Exhibit A, or in the Subscription Agreement, such transactions are hereby deemed ratified and approved by the Members and may be provided by the Manager or Affiliates of the Manager to or for the benefit of the Company, one or more Company subsidiaries or the Manager and paid for or reimbursed by the Company or Company subsidiary, as the case may be, at the rates set forth on Exhibit A, which rates are deemed to be fair market rates as of the date hereof and performance of such services and the payment of such compensation shall be deemed approved by the Members. No professional or other service provider will be disqualified from providing services to the Company, the Manager, any Company subsidiary or their Affiliates by reason of the provision of services by such professional or service provider to the Manager or its Affiliates, whether or not related to the Company's business or other activities. Absent manifest abuse, the Manager will not be deemed to have breached any obligations it may have to the Company or any subsidiary of the Company as a result of causing the Company or such subsidiary to enter into such Manager Related Party Transactions. The Manager may, in its sole and absolute discretion, waive payment of any Manager Related Party Transaction fees for any Affiliates or pursuant to any side letter or other agreement.

(c) Pooled Investor Expenses may be borne by the Company or the Pooled Investor as determined by the Manager in its sole discretion.

(d) The Manager may establish an operating Reserve from the proceeds of the Members' initial Capital Contributions. The Manager may use the proceeds of the Reserve to pay for Company Expenses and other obligations or to make additional capital contributions to entities in which the Company invests that are "disregarded entities" for Federal income tax purposes. Notwithstanding the foregoing, the amount of the Reserve at any time shall not exceed an amount which would violate any of the Opportunity Zone Provisions.

4.9 Manager Responsibilities. Notwithstanding any other provision(s) in this Agreement, the Manager shall perform or cause to be performed the following functions:

(a) Maintain adequate records and books of accounts;

(b) Maintain sufficient insurance customary to the operations carried on by the Company;

(c) Comply with, or cause to be complied with, all provisions of the Act governing the administration of a limited liability company, including, but not limited to, filing with the Delaware Secretary of State any required and necessary amended Certificate of Formation;

(d) Comply with all applicable laws and obtain all permits necessary to conduct the Company's business; and

(e) Comply with the terms of all material agreements entered into by the Company.

4.10 Fiduciary Duty. Unless otherwise specifically provided in this Agreement, whenever hereunder a Manager or Member is required or permitted to make a decision, take or approve an action or omit to do any of the foregoing: (i) in its sole discretion, such Member or the Manager shall be entitled to consider only such factors and interest, including its own, as it desires, and shall have no duty or obligation to consider any other interest (including the interest of any other Member) or factors whatsoever, (ii) with an express standard of behavior (including, without limitation, standards such as "reasonable" or "good faith"), then such Member or the Manager shall comply with such express standard, or (iii) without any express standard, then such Manager or Member shall be entitled to consider only such factors and interest, including its own, as it desires, and shall have no duty or obligation to consider any other interest (including the interest of any other Member) or factors whatsoever. Without limiting the foregoing, each Member agrees that the standards set forth in this Section 4.10 are intended to supersede any fiduciary obligations that would otherwise apply to the Manager and Members under any applicable law (excluding any fiduciary duty for the benefit of the Company required of Members' Affiliates pursuant to any written contract between such Affiliates and the Company).

4.11 Conflicts of Interests, etc.

(a) Subject to the limitations in this Section 4.11, the Manager and each of its Affiliates may engage in, invest in, participate in or otherwise enter into other business ventures of any kind, nature and description, individually and with others, including, without limitation, the ownership of and investment in securities and whether or not any such business venture competes with the Company. Neither the Company nor any Member shall have any right, by virtue of this Agreement, to share or participate in such other investments or activities of the Manager or its Affiliates or to the income or proceeds derived therefrom. Except as otherwise provided, the Manager shall not incur any liability to the Company or to any of the Members as a result of engaging in any other business or venture. This Section 4.11(a) does not constitute a waiver of any obligations a Manager may have to the Company and its Members under this Agreement.

(b) The Members understand and acknowledge that the Company, one or more Company subsidiaries or Affiliates thereof (and the Manager on behalf of the Company, one or more Company subsidiaries or Affiliates thereof) may be transacting business with the Manager and its Affiliates (any such transactions, the "Manager Related Party Transactions"), including, without limitation, those set forth on Exhibit A attached hereto; *provided*, *however*, such Manager Related Party Transactions must be: (i) on arms-length terms, or (ii) immaterial to the overall business or financial performance of the Company, with items (i) and (ii) immediately above being determined by the Manager in its reasonable discretion. Such Manager Related Party Transactions may include but may not be limited to property management, construction, development, technical and pre-opening, renovation management, procurement, general contractor, legal, accounting, centralized services, media, advertising and signage, branding and outlet consulting, servicing, finance, origination, guaranty, sale or disposition fees payable to the Manager or any other Affiliate of the Manager. To the extent such Manager Related Party Transactions have been described herein, including on Exhibit A, or in the Subscription Agreement, such transactions are hereby deemed ratified and approved by the Members and may be provided by Affiliates of the Manager to or for the benefit of the Company, one or more Company subsidiaries or the Manager and paid for or reimbursed by the Company or Subsidiary, as the case may be, at the rates set forth on Exhibit A, which rates are deemed to be fair market rates as of the date hereof and performance of such services and the payment of such compensation shall be deemed approved by the Members. No professional or other service provider will be disqualified from providing services to the Company, the Manager, any Subsidiary or their Affiliates by reason of the provision of services by such professional or service provider to the Manager or its Affiliates, whether or not related to the Company's business or other activities. Absent manifest abuse, the Manager will not be deemed to have breached its fiduciary duty as a result of causing the Company to enter into such related party transactions. The Manager may, in its sole and absolute discretion, waive payment of any Manager Related Party Transaction fees for any Affiliates or pursuant to any Side Letter.

(c) The Manager and any Member (including any of their Affiliates) may engage in other business activities, including but not limited to the sale of assets to, the purchase of assets from, or the co-investment with, such other Affiliates, or any business which is in competition with, or similar to, the Company business, without liability or accounting to the Company or the Company subsidiaries. Nothing contained in this Agreement shall be construed to limit in any manner the Members or their respective agents, servants and employees in carrying out their own respective businesses or activities. Neither the Company, nor any Subsidiary, nor any Member shall have any right by virtue of this Agreement or the existence of the Company or the Company subsidiaries in and to such ventures or activities, the income or profits derived therefrom or the intellectual property or technologies developed in connection therewith, and Manager and its Affiliates may each retain ownership of, and all rights, title, and interests in and to, some or all intellectual property created during the term of the Company in connection with the Property; *provided* that the Company and the Company subsidiaries will have a non-exclusive, non-assignable, non-sublicensable, royalty free license to use such intellectual property of Manager or its Affiliates created for the Property for the purposes contemplated by Section 2.3. Absent manifest abuse, the Manager will not be deemed to have breached its fiduciary duty as a result of causing the Company to enter into such related party transactions.

(d) Conflicts of interest caused by more than one investment vehicle sponsored by the Manager and its Affiliates having funds available simultaneously for acquiring investments

similar to the objectives of the Company will be resolved in good faith by the Manager (without the need for approval of any Member). In resolving any such conflicts, the Manager will take into account a number of factors, including which vehicle has funds available to acquire the investment and each vehicle's investment restrictions and diversification goals. Absent manifest abuse, the Manager will not be deemed to have breached its fiduciary duty as a result of causing the Company to enter into such related party transactions.

ARTICLE V
PAYMENTS AND DISTRIBUTIONS

5.1 Distributions of Net Cash Flow from Operations Among Members. Subject to Section 5.3, the available proceeds of Net Cash Flow from Operations shall be distributed amongst the categories of Members, described below in the following order and priority:

(a) first, 100% to the Investor Members, in proportion to and to the extent of their Unpaid Preferred Return, until such time as the Unpaid Preferred Return of each of the holders of Class B Units has been reduced to zero dollars ($0);

(b) thereafter, 100% to the holders of Class B Units, pro rata based on the number of Class B Units held by each respective holder of Class B Units.

Timing of Distributions. Net Cash Flow From Operations of the Company shall be distributed from time to time, as determined by the Manager in its sole discretion.

5.2 Distributions of Net Cash Flow from Capital Events and Net Cash Flow From Refinance. Available proceeds of Net Cash Flow From Capital Events and Net Cash Flow From Refinance, as the case may be, shall be distributed amongst the categories of Members, described below in the following order and priority:

(a) first, 100% to the Class B Units, in proportion to and to the extent of their Unpaid Preferred Return, until such time as the Unpaid Preferred Return of each of the holders of Class B Units has been reduced to zero dollars ($0);

(b) second, 100% to the holders of the Class B Units, in proportion to and to the extent of their Unreturned Capital Contributions, until such time as the Unreturned Capital Contributions of each of the holders of Class B Units has been reduced to zero dollars ($0); and

(c) thereafter, 100% to the holders of Class B Units, pro rata based on the number of Class B Units held by each respective holder of Class B Units.

Timing of Distributions. Net Cash Flow From Capital Events and Net Cash Flow From Refinance, as the case may be, of the Company shall be distributed from time to time, as determined by the Manager in its sole discretion.

5.3 Tax Distribution. Notwithstanding Section 5.1, within 75 days of the end of each taxable Fiscal Year, the Manager, in its sole and absolute discretion, may distribute to each Member, to the extent of Net Cash Flow From Operations is available to the Company, as determined by the Manager, an amount which, when combined with the other amounts distributed

to such Member pursuant to Section 5.1 and Section 5.2 and this Section 5.3 in that Fiscal Year and all prior Fiscal Years, equals the cumulative net taxable income allocated to the Members under Section 6.1 for that Fiscal Year and all prior Fiscal Years (taking into account losses allocated to that Member in prior Fiscal Years to the extent not previously accounted for) multiplied by the Assumed Tax Rate. Distributions, if any, made pursuant to this Section 5.3 shall be made before the other distribution provisions of this Agreement, and amounts distributed to a Member pursuant to this Section 5.3 will be treated as a distribution to such Member under Section 5.1 and Section 5.2 and be taken into account in determining subsequent distributions pursuant to Section 5.1 and Section 5.2 so that, in the aggregate, all distributions are divided among the Members in the manner they would be divided without regard to this Section 5.3.

5.4 Distributions in Liquidation. Following the dissolution of the Company and the commencement of winding up and the liquidation of its assets distributions to the Members shall be governed by Section 12.2.

5.5 Amounts Withheld. All amounts withheld pursuant to the Code or any provisions of state or local tax law with respect to any payment or distribution to the Members from the Company shall be treated as amounts distributed to the relevant Members for all purposes of this Agreement.

5.6 State Law Limitation on Distributions. Notwithstanding any provision to the contrary contained in this Agreement, the Manager shall not make a distribution to any Member on account of its Class B Units if such distribution would violate the Act or other applicable law.

5.7 Distributions to Comply with Opportunity Zone Provisions. Notwithstanding any provision to hereof, the Manager may make distributions of cash or property at any time and in any amount to the extent necessary so that the Company (i) satisfies the requirement in Code Section 1400Z-2(d)(3)(A)(ii) with respect to satisfying the nonqualified financial property requirements in Code Section 1397C(b)(8) (providing that with respect to any taxable year of the Company, less than 5% of the average of the aggregate unadjusted bases of the property of the Company shall be attributable to nonqualified financial property), and (ii) does not otherwise fail to qualify as an Opportunity Fund.

5.8 Return of Distributions. Notwithstanding any provision of this Agreement to the contrary, the Manager may require the Members to return distributions to the Company in an amount sufficient to satisfy all or any portion of any obligations of the Company or any Subsidiary, whether such obligations arise before or after the Company makes distributions under Section 12.2, or, with respect to any Member, before or after such Member's withdrawal from the Company. Accordingly, upon written request by the Manager, each Member shall promptly return distributions in respect of its share of any such obligations in such amounts as shall result in each such Member retaining cumulative distributions from the Company (net of any returns of distributions under this Section 5.8) equal to the cumulative amount that would have been distributed to such Member had the amount of such distributions been, at the time of such distribution, reduced by the amount of such obligations, as equitably determined by the Manager. Notwithstanding the preceding sentences, a Member's liability under this Section 5.8 shall not exceed the sum of (i) such Member's unfunded Commitment plus (ii) twenty-five percent (25%) of the aggregate distributions received by such Member from the Company. In addition to the

foregoing, no Member shall be required to return distributions to the Company after the second anniversary of the last day of the year in which the Company makes the last distribution following an event of dissolution as set forth in Section 12.1, *provided* that if at the time of such second anniversary there are any proceedings pending or claims outstanding, the Manager shall on or before such second anniversary notify the Members in writing of the general nature of such proceedings or claims and an estimate of the amount of distributions that may be required to be returned pursuant to this Section 5.8 and the obligation of the Members to return distributions pursuant to this Section 5.8 shall be extended with respect to such proceedings or claims until the date such proceedings or claims are ultimately resolved and distributions are returned to the Company in respect thereof pursuant to this Section 5.8. Any distributions returned pursuant to this Section 5.8 shall not be treated as Capital Contributions, but shall be treated as returns of distributions and reductions in distributions, in making subsequent distributions pursuant to Article V or Article XII. Nothing in this Section 5.8, express or implied, is intended or shall be construed to give any Person other than the Company or the Members any legal or equitable right, remedy or claim under or in respect of this Section 5.8 or any provision contained herein.

5.9 Member Compensation. Certain Members may perform services on behalf of the Company pursuant to a consulting agreement entered into between the Company and such Member. In such instances, the Manager, in its sole and absolute discretion, shall determine on behalf of the Company the consideration to be paid to such Member, and whether such consulting agreement should be modified, extended or terminated. Notwithstanding anything in this Agreement to the contrary, any consideration paid pursuant to such consulting agreement shall be treated as a guaranteed payment, within the meaning of Code Section 707(c), paid to such Member from the Company and not as a distribution. Any such guaranteed payment shall be made irrespective of any distributions of Net Cash Flow From Operations, and any allocations of Profits and Losses provided for elsewhere in this Agreement to such Member.

5.10 FATCA Compliance.

(a) Notwithstanding any other provision of this Agreement, each Member agrees to promptly provide the Manager and the Company with any information, representations, certificates, waivers, or forms relating to such Member (or its direct or indirect owners or account holders) that are requested from time to time by the Manager and that the Manager determines in its sole discretion are necessary or appropriate in order for any Company Entity to (i) enter into, maintain or comply with the agreement contemplated by Code Section 1471(b), (ii) satisfy any requirement imposed under Code Sections 1471 through 1474, any Regulations that have been or may be promulgated under Code Sections 1471 through 1474, and any Internal Revenue Service guidance that has been or may be published relating thereto (collectively, "FATCA"), including any requirement necessary in order to avoid any withholding required under FATCA (including any withholding upon any payments to such Member under this Agreement) or (iii) comply with any reporting or withholding requirements under FATCA. In addition, each Member shall take such actions as the Manager may reasonably request in connection with the foregoing.

(b) In the event that any Member fails to promptly provide any of the information, representations, waivers, certificates or forms (or undertake any of the actions) required under this Section 5.10, the Manager shall have full authority to take any action it determines in its sole discretion to be necessary or appropriate, including without limitation to

(i) close such Member's "account" with the Company by causing a Transfer of such Member's Membership Interest to a Person selected by the Manager in a transaction that complies with Article XI in exchange for any consideration that can be obtained for such interest and/or (ii) take any other steps as the Manager determines in its sole discretion are necessary or appropriate to mitigate the consequences of such Member's failure to comply with this Section 5.10 on the Company Entities and the other Members. If requested by the Manager, such Member shall execute any and all documents, opinions, instruments, waivers and certificates as the Manager shall have reasonably requested or that are otherwise required to effectuate the foregoing.

(c) Any Member that fails to comply with this Section 5.10 shall, together with all other Members that fail to comply with this Section 5.10, indemnify and hold harmless the Manager, the Company and their respective Affiliates for any costs or expenses arising out of such failure or failures, including any withholding tax imposed under FATCA on any of the Company Entities and any withholding or other taxes imposed as a result of a Transfer effected pursuant to this Section 5.10.

5.11 [Reserved].

5.12 Redemption of Class B Unit.

(a) No Investor Member shall have any right to require the Company to redeem all or any portion of its Class B Units, as applicable, or otherwise return its Unreturned Capital Contribution or any amount which may be in its Capital Account until after the expiration of the Shutout Period, in which case an Investor Member shall be entitled to request a Redemption of all or a specified portion of its Class B Units, as applicable, by submitting a Redemption Request to the Manager. The Manager will maintain a list (the "Investor Member Redemption List") of all such requests and may elect to grant Redemption Requests in its sole and absolute discretion and carry out Redemptions with or without regard to the Investor Member Redemption List.

(b) After receipt of a Redemption Request, the Manager has the right, but not the obligation, to require the Company to redeem the Class B Unit, as applicable, of the Investor Member who submitted the Redemption Request, but only after the expiration of the Shutout Period.

(c) If, in connection with the receipt of a Redemption Request, the Manager elects to redeem any Class B Units, such Class B Units will be redeemed on a pro rata basis amongst those Investor Members on the Redemption List. Redemptions shall be conducted at such time, in such manner and by such methodology as the Manager may determine in their sole and absolute discretion. Methodologies for redeeming Units may include, but shall in no event be limited to, making single redemption payments to the applicable Investor Members or redeeming Units incrementally over time. In the event the Manager elects to redeem Class B Units incrementally over time, redemption payments shall continue until such time as each Redemption has been satisfied in full. As a result, it may take a substantial amount of time for the Company to complete the redemption of one or more Class B Units. Until all required redemption payments have been made, such Investor Member shall remain a Member of the Company, entitled to receive all the benefits of a Member holding the number of Class B Units held by such Member at any given time, which will be reduced with each Redemption payment.

(d) All redemptions under this Section 5.12 shall be based upon the Liquidation Value of the applicable Class B Units being redeemed based upon the most recently performed Company Valuation, provided, however, that (A) with respect to any Redemptions that occur within the first forty two (42) months after the Shutout Period with respect to such Investor Member, the Class B Units shall be redeemed for 90% of their Liquidation Value, (B) with respect to any Redemptions that occur during the period starting forty three (43) months after the Shutout Period with respect to such Investor Member and ending seventy two (72) months after the Shutout Period, the Class B Units shall be redeemed for 95% of their Liquidation Value; and (C) with respect to any Redemptions that occur during the period starting seventy three (73) months after the Shutout Period with respect to the Investor Member and continuing thereafter, the Class B Units shall be redeemed for 97% of their Liquidation Value.

(e) The Manager will advise any Investor Members whose Class B Units are being redeemed of any and all adjustments made to the applicable Company Valuation, the basis therefor, and all redeemed Members shall be bound thereby.

(f) In the event the Manager elects to make Redemptions incrementally over time, it is possible such Redemptions would take place over a number of months or even years. As a result, fluctuations in Company Valuations and adjustments thereto could affect the amounts to be paid to a Investor Member whose Class B Units are being redeemed with respect to different Class B Units redeemed at different times, taking into account the Liquidation Value of the Class B Units at the time of each Redemption.

(g) Any Redemption of a Investor Member's Class B Units, whether partial, full or otherwise, shall result in both an adjustment of the Company Valuation in effect at the time of the Redemption and the recalculation of all Member' respective Unreturned Capital Contributions (by way of example, if one-half of the Class B Units of a Investor Member is redeemed on a particular date, then the Unreturned Capital Contributions of such Investor Member shall be reduced by one-half), and, as a result, each Investor Member's rights and interests in and to the Company, including, without limitation each Investor Member's voting rights and share of distributions.

(h) The Manager may utilize any source of proceeds to effectuate Redemptions, including but not limited to cash available for distribution and/or the use of funds borrowed by the Company from third parties.

(i) Notwithstanding anything to the contrary in this Agreement, the Manager does not intend to cause the Company to redeem any Class B Units if the redemption could cause the Company to become a "publicly traded partnership" within the meaning of Code Section 7704(b).

5.13 Any reference in this Article V to any members, including any "Investor Member", shall include any holders of Class B Units that are not Members of the Company.

ARTICLE VI
ALLOCATION OF PROFITS AND LOSSES

6.1 Profit and Loss Allocations.

(a) The rules set forth below in this Section 6.1 shall apply for the purpose of determining each Member's allocable share of the items of income, gain, loss and expense of the Company comprising Profits or Losses of the Company for each taxable year, determining special allocations of other items of income, gain, loss and expense, and adjusting the balance of each Member's Capital Account to reflect the aforementioned general and special allocations. For each taxable year, the special allocations in Appendix 1 shall be made immediately prior to the general allocations of Section 6.1.

(b) For each Fiscal Year of the Company, after adjusting each Member's Capital Account for all Capital Contributions and distributions during such Fiscal Year and all special allocations pursuant to Appendix 1 with respect to such Fiscal Year, all Profits and Losses (other than Profits and Losses specially allocated pursuant to Appendix 1) shall be allocated to the Members' Capital Accounts in a manner such that, as of the end of such Fiscal Year, the Capital Account of each Member (which may be either a positive or negative balance) shall be equal to (a) the amount which would be distributed to such Member, determined as if the Company were to sell all of its assets for the Gross Asset Value thereof and distribute the proceeds thereof pursuant to Section 5.2, minus (b) the sum of (i) such Member's share of Company Minimum Gain (as determined according to Regulations Sections 1.704-2(d) and 1.704-2(g)(3)) and Member Nonrecourse Debt Minimum Gain (as determined according to Regulations Section 1.704-2(i)) and (ii) the amount, if any, which such Member is obligated to contribute to the capital of the Company as of the last day of such Fiscal Year.

(c) Notwithstanding anything to the contrary in this Section 6.1, the amount of items of Company expense and loss allocated pursuant to this Section 6.1 to any Member shall not exceed the maximum amount of such items that can be so allocated without causing such Member to have a deficit in such Member's Adjusted Capital Account Balance at the end of any taxable year. All such items in excess of the limitation set forth in this Section 6.1(c) shall be allocated first to Members who would not have a deficit in their Adjusted Capital Account Balance, pro rata in proportion to their Capital Account balances as adjusted in accordance with subdivisions (a) and (b) of the definition of Adjusted Capital Account Balance.

6.2 Tax Allocations.

(a) Except as otherwise provided in Section 6.2(b) hereof, for income tax purposes, all items of income, gain, loss, deduction and credit of the Company for any tax period shall be allocated among the Members in accordance with the allocation of Profits and Losses prescribed in this Article VI and Appendix 1 hereto.

(b) In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall, solely for income tax purposes, be allocated among Members, so as to take account of any variation between the adjusted basis of such property to the Company for federal income

tax purposes and its initial Gross Asset Value using any method available to the Company under the Regulations Section 1.704-3, as determined by the Manager in its sole and absolute discretion.

(c) If the Gross Asset Value of any Company asset is adjusted pursuant to Section A1 of Appendix 1 hereto, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for Federal income tax purposes and its Gross Asset Value in the manner provided under Code Section 704(c) and the Regulations thereunder using any method available to the Company under Regulations Section 1.704-3, as determined by the Manager in its sole and absolute discretion.

(d) Allocations pursuant to this Section 6.2 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses or other items or distributions pursuant to any provision of this Agreement.

6.3 Knowledge of Tax Consequences. The Members are aware of the income tax consequences of the allocations made by this Article VI and Appendix 1 hereto and hereby agree to be bound by the provisions of this Article VI and Appendix 1 hereto in reporting their distributive shares of the Company's taxable income and loss for income tax purposes.

6.4 Transferor - Transferee Allocations. Income, gain, loss, deduction or credit attributable to any Class B Units that have been transferred shall be allocated between the transferor and the transferee under any method allowed under Code Section 706 and the Regulations thereunder as agreed by the transferor and the transferee.

ARTICLE VII
LIABILITIES, RIGHTS AND OBLIGATIONS OF MEMBERS

7.1 Limitation of Liability. Each Member's and Member's liability for the debts and obligations of the Company shall be limited as set forth in the Act and other applicable law. The provisions of this Section 7.1 shall not be deemed to limit in any way the liabilities of any Member to the Company and to the other Members arising from a breach of this Agreement.

7.2 Access to Company Records. Upon the written request of any Member, the Manager shall permit such Member, at a reasonable time to both the Manager and the Member, to inspect and copy, at the Member's expense, any of the Company's records (including, without limitation, the records required to be maintained pursuant to Section 9.1).

7.3 Authority to Bind the Company, Management Authority. Unless authorized to do so by this Agreement or by the Manager, no Member or group of Members shall have any power or authority to bind the Company in any way, to pledge the Company's credit, to render the Company liable for any purpose, or to otherwise engage in the management of the Company.

7.4 Waiver of Action for Partition. Each Member irrevocably waives during the term of the Company any right that such Person may otherwise have to maintain any action for partition with respect to Company property or other assets of the Company.

7.5 Cooperation with Partnership Representative. Each Member agrees to cooperate with the Partnership Representative and to do or refrain from doing any or all things reasonably required by the Partnership Representative in connection with the conduct of any proceedings involving the Partnership Representative.

7.6 Acknowledgment of Liability for State and Local Taxes. To the extent that the laws of any Taxing Jurisdiction require, each Member requested to do so by the Manager shall submit an agreement indicating that such Person shall make timely income tax payments to the Taxing Jurisdiction and that such Person accepts personal jurisdiction of the Taxing Jurisdiction with regard to the collection of income taxes, interest, and penalties attributable to such Person's income. If a Member fails to provide such agreement, the Company may withhold or pay over to such Taxing Jurisdiction the amount of tax, penalty, and interest determined under the laws of the Taxing Jurisdiction with respect to such income. Any such payments shall be treated as distributions to the applicable Member for purposes of Article V.

7.7 Limitation on Bankruptcy Proceedings. No Member, without the consent of the Manager, shall file or cause to be filed any action in bankruptcy involving the Company.

7.8 Voting Rights. Except as otherwise provided herein, each Member entitled to vote shall have a vote equal to their respective number of Class B Units. Upon any default by any Investor Member with respect to its obligations under this Agreement or any Investor Member's Subscription Agreement or Side Letter, if applicable, and for so long as such default remains uncured, such Investor Member shall not be entitled to vote on any matter on which such Investor Member would otherwise be entitled to vote. For purposes of determining the requisite number of Members required for quorums, majorities and other determinations under this Agreement (except for calculations of distributions), such defaulting Investor Member's Class B Units shall be disregarded.

7.9 Voting Procedure. In any circumstances requiring approval or consent by the Members entitled to vote thereon, such approval or consent shall, except as otherwise provided to the contrary in this Agreement, be given or withheld in the sole and absolute discretion of the Members, and conveyed in writing to the Manager not later than ten (10) days after such approval or consent was requested by the Manager in a written notice directed to such Members; *provided, however*, that the Manager may require a response within a shorter period, but not less than five (5) days after request by the Manager. Failure to respond within the requisite time period shall constitute a vote consistent with the Manager's recommendation with respect to the proposal if any. If the Manager receives the necessary approval or consent of the Members to such action, the Manager shall be authorized to implement such action without further authorization by the Members.

7.10 Approval of Actions. The Manager shall convene a meeting of the Members entitled to vote upon the request of any Member. Such meeting shall be held not later than ten (10) days following request therefor. Any meeting of Members entitled to vote shall be held at the known place of business of the Company or at such other place as all of the Members entitled to vote shall unanimously agree. Any Member entitled to vote may participate in any meeting of Members by means of a conference telephone or similar communication equipment. The Members entitled to vote may approve actions either at meetings of the Members or pursuant to a written

consent in lieu of a meeting (which consent shall be signed by Members whose Investor Member Percentage Interests equal or exceed the minimum Investor Member Percentage Interests required for approval of such action); *provided*, that a copy of such written consent in lieu of meeting shall be promptly delivered to any Members entitled to vote who did not sign such consent.

7.11 Power of Attorney.

(a) Each Member hereby irrevocably constitutes and appoints the Manager as its true and lawful agent and attorney-in-fact, with full power of substitution, in its name, place and stead, to make, execute and acknowledge, swear to, record, publish and file:

(i) any agreement, document or instrument pertaining to the Transfer of all or any portion of the Company's assets which has otherwise been approved or authorized in accordance with the terms of this Agreement;

(ii) any documents or instruments with respect to the Company which may be required to be filed under the laws of any state of the United States or which the Manager shall deem necessary, desirable or advisable to file under the Act, or to continue the qualification of the Company as a limited liability company or to preserve limited liability status of the Company in the jurisdiction(s) in which the Company may operate;

(iii) prepare, execute on its behalf, file and record any other instruments determined by the Manager to be necessary or appropriate in connection with the proper conduct of the business of the Company and which do not adversely affect the interests of any of the Members;

(iv) in the case of a Defaulting Member, any bills of sale or other appropriate transfer documents necessary or advisable to effectuate Transfers of such Person's interest pursuant to Section 3.4(f); and

(v) take any further action that the Manager shall consider advisable in connection with the exercise of the authority granted in this Section 7.11.

(b) The foregoing Power of Attorney is coupled with an interest, shall be irrevocable and shall survive the death, incompetency, dissolution, merger, consolidation, bankruptcy or insolvency of each of the Members. The Members shall execute and deliver to the Manager, within five (5) days after receipt of the Manager's request therefor, such further designations, powers of attorney and other instruments as the Manager reasonably deems necessary to carry out the purposes of this Agreement.

7.12 Representations of the Members. Each Investor Member hereby warrants, represents and agrees as follows:

(a) Exemptions from Registration. The Investor Members acknowledge that the Membership Interests are not being registered under the Securities Act of 1933, as amended (the "1933 Act"), on the basis of the statutory exemption found in Section 4(a)(2) thereof and/or Rule 506(b) of Regulation D promulgated thereunder ("Regulation D"). The Investor Members further acknowledge that the Membership Interests are not being registered under applicable state

securities laws, but are being issued and sold in reliance on exemptions from registration set forth therein. Each Investor Member further acknowledges that the Company's reliance on such statutory exemptions is based in part on the representations made by it in this Agreement.

(b) Investment Intent. Each Investor Member is acquiring its Membership Interest with the intent of holding the same for investment for its own account and without the intent or a view to participating directly or indirectly in any distribution or resale of such interest, and it does not intend to divide its participation with others, or to resell, assign or otherwise dispose of all or any part of its Membership Interest. In making such representation, each Investor Member acknowledges that a purchase now with an intent to resell by reason of any foreseeable specific contingency, some predetermined event or an anticipated change in market value, or in the condition of the Company, or in connection with a contemplated liquidation or settlement of any loan obtained by such Member for the acquisition of such Membership Interest and for which such interest may be pledged as security, would represent a purchase with an intent inconsistent with the foregoing representation.

(c) Independent Examination. Each Investor Member is not acquiring its Membership Interest based upon any representation, oral or written, by the Company or any representative of the Company with respect to the future value of, income from, or tax consequences relating to the Membership Interests but rather upon an independent examination and judgment as to the prospects of the Company. Further, each Investor Member acknowledges that no Federal or state administrative entity responsible for securities registration or enforcement has made any recommendation or endorsement of the Membership Interests or any findings as to the fairness of an investment in the Company.

(d) Knowledge and Experience. To the extent that each Investor Member believes necessary, such Investor Member has been represented by a purchaser representative (who has been selected by the Investor Member and who is not affiliated with or compensated by the Company or any of its Affiliates) concerning its investment in the Company. Each Investor Member and/or such Investor Member's purchaser representative has sufficient knowledge and experience in business and financial matters to evaluate the Company, to evaluate the risk of an investment in the Company, to make an informed investment decision with respect thereto, and to protect the undersigned's interest in connection with the undersigned's investment in the Company.

(e) Financial Information. Each Investor Member and/or such Investor Member's purchaser representative has received and reviewed such financial information and records of the Company as the Investor Member and/or the Investor Member's purchaser representative deemed necessary, and the Company has made available to the Investor Member and/or the Investor Member's purchaser representative the opportunity to ask questions of, and to receive answers from, representatives of the Company and to obtain additional information relative to the Company and the Investor Member's investment therein to the extent the Company possesses such information or could acquire it without unreasonable effort or expense. All such materials and information requested by the Investor Member and/or the Investor Member's purchaser representative have been made available and examined by the Investor Member and/or the Investor Member's purchaser representative.

(f) Limitations on Transfer. Each Investor Member acknowledges and agrees that (i) the provisions of Rule 144 promulgated under the 1933 Act are not presently available for the resale of the Membership Interests, and that it has no contract right for the registration under the 1933 Act of the Membership Interests for public sale, and (ii) it must bear the economic risk of an investment in the Membership Interest for an indefinite period of time because the Membership Interests have not been registered under the 1933 Act nor under any applicable state securities laws, and, therefore, cannot be sold unless such Membership Interests are subsequently registered under the 1933 Act and under applicable state securities laws or an exemption from such registration is available. Each Investor Member further acknowledges and agrees that it cannot and will not sell or otherwise Transfer its Membership Interest except in a transaction which is exempt under the 1933 Act, and all other applicable state securities laws, or pursuant to an effective registration or prospectus under such laws or, where applicable, in a transaction which is otherwise in compliance with such acts.

(g) Risk of Loss. Each Investor Member can bear the economic risk of losing such Investor Member's entire investment in the Company. Each Investor Member's proposed investment in the Company is not disproportionate to the Investor Member's net worth. Each Investor Member has adequate means of providing for the Member's current needs and possible contingencies without regard to the Investor Member's investment in the Company, and each Investor Member has no need for liquidity in the Investor Member's investment in the Company.

(h) Securities Representations. Each Investor Member acknowledges that several of the representations in this Section 7.12 relate to compliance with Federal and state securities laws and are made based upon the assumption that the Membership Interests will be determined to be securities under applicable Federal and state laws. Each Investor Member acknowledges that the existence of these representations in this Agreement shall in no event be deemed to constitute an admission or agreement by the Company or any Investor Member that the Membership Interests are actually securities.

7.13 Confidentiality.

(a) The Members hereby acknowledge that the Company will be in possession of confidential information the improper use or disclosure of which could have a material adverse effect upon the Company or upon one or more Members. Notwithstanding any provision of this Agreement to the contrary, the Manager shall have the right to keep confidential from the Members (and their respective agents and attorneys) for such period of time as the Manager deems reasonable, any information that the Manager reasonably believes to be in the nature of trade secrets or other information, the disclosure of which the Manager in good faith believes is not in the best interests of the Company or any Member, or could damage the Company or any Member or their respective businesses or which the Company is required by law or by agreement with a third party to keep confidential. Notwithstanding anything contained in this Agreement to the contrary, the Member Register is a confidential document of the Company and the Manager.

(b) The Members acknowledge and agree that all information provided to them by or on behalf of the Company or the Manager concerning the business or assets of the Company or a Member shall be deemed strictly confidential and shall not, without the prior written consent of the Manager, be (i) disclosed to any Person (other than a Member) or (ii) used by a Member

other than for a Company purpose or a purpose reasonably related to protecting such Member's interest in the Company. The Manager hereby consents to the disclosure by each Member of Company information to such Member's officers, directors and employees who need to know the information and who are informed of the confidential nature of the information and to such Member's accountants, attorneys and similar advisors bound by a duty of confidentiality. The foregoing requirements of this Section 7.13(b) shall not apply to a Member with regard to any information that is currently or becomes: (1) required to be disclosed pursuant to applicable law, regulation, legal process or a domestic national securities exchange rule (but in each case only to the extent of such requirement); ***provided***, that such Member shall, to the extent feasible, give prior notice thereof to the Company to enable the Company or the Manager to seek a protective order or similar relief; (2) publicly known or available in the absence of any improper or unlawful action on the part of such Member; or (3) known or available to such Member via legitimate means other than through or on behalf of the Company or the Manager. For purposes of this Section 7.13, Company information (including information relating to another Member) provided by one Member to another shall be deemed to have been provided on behalf of the Company.

(c) In order to preserve the confidentiality of certain information disseminated by the Manager or the Company under this Agreement that a Member is entitled to receive pursuant to the provisions of this Agreement, including, but not limited to, quarterly, annual and other reports (other than the IRS Forms 1065 and Schedules K-1) and information provided at the Company's informational meetings, the Manager may (i) provide to such Member access to such information only on the Company's website in password protected, non-downloadable, non-printable format, and (ii) require such Member to return any copies of information provided to it by the Manager or the Company.

(d) The Members: (i) acknowledge that the Manager is expected to acquire confidential third party information that, pursuant to related fiduciary, contractual, legal or similar obligations, cannot be disclosed to the Company or the Members; and (ii) agree that neither the Manager nor its members shall be in breach of any duty under this Agreement or law or in equity in consequence of acquiring, holding or failing to disclose such information to the Company or the Members so long as such obligations were undertaken in good faith.

(e) Any obligation of a Member pursuant to this Section 7.13 may be waived by the Manager in its sole and absolute discretion, and no such waiver shall constitute a Side Letter for purposes of Section 13.4(a).

(f) A Member may by giving written notice to the Manager elect not to receive copies of any document, report or other information that such Member would otherwise be entitled to receive pursuant to this Agreement and is not required by applicable law to be delivered. The Manager agrees that it shall make any such documents available to such Member at the Manager's offices (or, at the request of such Member, the offices of counsel to the Company).

(g) Notwithstanding anything in this Agreement to the contrary, each Member (and any employee, representative, or other agent of such Member) may disclose to any and all Persons, without limitation of any kind, the U.S. Federal tax treatment and tax structure of the Company or any transactions contemplated by the Company, it being understood and agreed, for this purpose, except to the extent otherwise established in published guidance by the Internal

Revenue Service, tax treatment or structure information does not include (i) the name of, or any other identifying information regarding, (A) the Company or any existing or future investor (or any Affiliate thereof) in the Company, or (B) any investment or transaction entered into by the Company, (ii) any performance information relating to the Company or its investments, or (iii) any performance or other information relating to other investments sponsored by the Manager or its Affiliates.

ARTICLE VIII
LIABILITY, EXCULPATION AND INDEMNIFICATION

8.1 Liability. Except as otherwise provided by the Act or pursuant to any agreement, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Covered Person.

8.2 Exculpation. To the fullest extent permitted by law, (a) the Manager and each of its Affiliates, and (b) the current and former partners, members, equity holders, Managers, officers, directors, and employees of the Manager and each of their respective Affiliates (each, a "Covered Person") shall not be liable, responsible or accountable in damages or otherwise to the Company or any Member for any loss, liability, damage, settlement cost, or other expense (including reasonable fees and expenses of attorneys and other advisors for any action or inaction in connection with their activities on behalf of the Company, or in connection with any involvement with the Project or another investment of the Company, and legal and other costs and reasonable expenses of investigating or defending against any claim or alleged claim), except to the extent that there has been a final non-appealable determination by a court of competent jurisdiction that such Covered Person (i) failed to act in good faith and in a manner such Covered Person reasonably believed to be in or not opposed to the best interests of the Company, (ii) was grossly negligent or engaged in willful malfeasance, or (iii) had reasonable cause to believe such Person's actions or omissions were unlawful (collectively, a "Breach of Standard of Conduct"). Notwithstanding anything to the contrary in the preceding sentence, in no event will any individual have any personal liability beyond such individual's distributions and direct or indirect interest in the Company or in a Member, except to the extent losses are attributable to such individual's willful malfeasance. No Covered Person shall have liability for acts taken in good faith upon the written advice of counsel that such acts were permissible under governing documents and applicable law, *provided* such counsel was selected with reasonable care. To the extent any decision or determination has been made in reliance in good faith upon such advice, such decision or determination shall be deemed to have been made without committing a Breach of Standard of Conduct.

8.3 Indemnification.

(a) The Company shall, to the fullest extent permitted by applicable law, indemnify, hold harmless and release each Covered Person from and against all claims, demands, liabilities, costs, expenses, damages, losses, suits, proceedings and actions, whether judicial, administrative, investigative or otherwise, of whatever nature, known or unknown, liquidated or unliquidated ("Claims"), that may accrue to or be incurred by any Covered Person, or in which

any Covered Person may become involved, as a party or otherwise, or with which any Covered Person may be threatened, relating to or arising out of the business and affairs of, or activities undertaken in connection with, the Company, including, but not limited to, amounts paid in satisfaction of judgments, in compromise, or as fines or penalties and counsel fees and expenses incurred in connection with the preparation for or defense or disposition of any investigation, action, suit, arbitration or other proceeding (a "Proceeding"), whether civil or criminal (all of such Claims and amounts covered by this Section 8.3(a), and all expenses referred to in Section 8.3(b), are referred to as "Damages"). Members shall not be required to personally indemnify any Covered Person.

(b) Expenses incurred by a Covered Person in defense or settlement of any Claim that may be subject to a right of indemnification hereunder shall be advanced by the Company prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the Covered Person to repay such amount if it is ultimately determined that the Covered Person is not entitled to be indemnified hereunder. The right of any Covered Person to the indemnification provided herein shall be cumulative with, and in addition to, any and all rights to which such Covered Person may otherwise be entitled by contract or as a matter of law or equity and shall extend to such Covered Person's heirs, personal representatives, successors and assigns.

(c) Promptly after receipt by a Covered Person of notice of the commencement of any Proceeding, such Covered Person shall, if a claim for indemnification in respect thereof is to be made against the Company, give written notice to the Company of the commencement of such Proceeding, *provided* that the failure of any Covered Person to give notice as provided herein shall not relieve the Company of its obligations under this Section 8.3 except to the extent that the Company is actually prejudiced by such failure to give notice. In case any such Proceeding is brought against a Covered Person (other than a derivative suit in right of the Company), the Company will be entitled to participate in and to assume the defense thereof to the extent that the Company may wish, with counsel reasonably satisfactory to such Covered Person. After notice from the Company to such Covered Person of the Company's election to assume the defense thereof, the Company will not be liable for expenses subsequently incurred by such Covered Person in connection with the defense thereof. The Company will not consent to entry of any judgment or enter into any settlement that (i) does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Covered Person of a release from all liability in respect to such Claim, or (ii) which requires any action (or inaction) by the Covered Person other than the payment of money.

ARTICLE IX
BOOKS AND RECORDS, REPORTS, TAX ACCOUNTING, BANKING

9.1 Books and Records. The Manager, at the Company's expense, shall keep or cause to be kept adequate books and records for the Company, which contain an accurate account of all business transactions arising out of and in connection with the Company's conduct, as required by the Act. Upon the written request of any Member, such Member or its designated representative shall have the right, at any reasonable time, to have access to and may inspect and copy the contents of such books or records. The cost of such inspection and copying shall be borne by the requesting Member. Additionally, at the Company's expense, the Manager shall maintain or cause to be maintained the following records at the Company's known place of business:

(a) a current list of the full name, last known business, residence or mailing addresses, Capital Commitment, Capital Contribution and number of Class B Units of each Member (the "Member Register");

(b) a list of the full name and last known business, residence, or mailing address of each Member, both past and present;

(c) a copy of the Certificate of Formation for the Company, and all amendments thereto;

(d) copies of the Company's currently effective Operating Agreement and all amendments thereto, copies of any prior Operating Agreements no longer in effect, and copies of any writings permitted or required with respect to a Member's obligation to contribute cash, property, or services;

(e) copies of the Company's Federal, state, and local income tax returns and reports for the six (6) most recent years;

(f) copies of financial statements of the Company, if any, for the six (6) most recent years;

(g) minutes of every meeting of the Members;

(h) any written consents or approvals obtained from the Manager for actions taken by the Manager; and

(i) any written consents or approvals obtained from Members for actions taken by Members without a meeting.

9.2 Unaudited Financial Statements to Members. Within a reasonable period after the end of each Fiscal Year, but in any event within one hundred twenty (120) days after the end of each Fiscal Year, the Manager, at the expense of the Company, shall cause to be prepared and furnished to each Member unaudited financial statements of the Company.

9.3 Tax Matters.

(a) The Members intend that the Company shall be operated in a manner consistent with its treatment as a partnership for federal and state income tax purposes. The Members shall not take any action inconsistent with this expressed intent. Neither the Members, the Manager, nor the Partnership Representative shall take any action to cause the Company to elect to be taxed as a corporation pursuant to Regulations Section 301.7701-3(a), or any counterpart under state law, or cause the Company to be treated as an entity disregarded from being separate from its owner for federal income tax purposes. The Manager and each Member agree not to make any election for the Company to be excluded from the application of the provisions of Subchapter K of the Code.

(b) The Manager shall cause the accountants for the Company to prepare and timely file all tax returns required to be filed by the Company pursuant to the Code and all other

tax returns deemed necessary and required in each jurisdiction in which the Company does business. The Manager shall instruct the Company's accountants to prepare and deliver all necessary tax returns and information to each Member within a reasonable period following the end of each Fiscal Year.

(c) The Manager may, where permitted by the rules of any Taxing Jurisdiction, file a composite, combined, or aggregate tax return reflecting the income of the Company, and pay the tax, interest, and penalties of some or all of the Members on such income to the Taxing Jurisdiction, in which case the Company shall inform the Members of the amount of such tax, interest, and penalties so paid.

(d) The Manager is hereby designated as the Company's initial Partnership Representative. Where the Partnership Representative is an entity, the Manager shall designate an individual representative to act on behalf of the Partnership Representative.

(i) The Partnership Representative shall represent the Company in any disputes, controversies or proceedings with the Internal Revenue Service ("IRS") or with any state, local, or non-U.S. taxing authority. The Partnership Representative shall be entitled to take such actions on behalf of the Company in any and all proceedings with the IRS and any other such taxing authority as it determines to be appropriate in its sole and absolute discretion and any decision made by the Partnership Representative shall be binding on all Members. The Members agree to cooperate in good faith to timely provide information requested by the Partnership Representative as needed to comply with the Partnership Audit Procedures. The Members acknowledge and agree that the Partnership Representative shall have the power to cause the Company to elect out of the partnership-level audit procedures to the extent allowed under Code Section 6221(b) or to elect out of partnership-level tax assessments under Code Section 6226, in each instance, in the Partnership Representative's sole and absolute discretion. Further, to the extent requested to do so by the Partnership Representative, the Members shall timely file amended returns and pay tax liabilities (including interest and penalties) under Code Section 6225(c)(2). The Members agree to cooperate in good faith, including without limitation by timely providing information requested by the Partnership Representative and making elections and filing amended returns requested by the Partnership Representative, to give effect to the preceding sentence. Subject to the foregoing, to the extent required to do so under the Partnership Audit Procedures, the Company shall make any payments of assessed amounts under Code Section 6221 of the Partnership Audit Procedures and shall allocate any such assessment among the current or former Members of the Company for the "reviewed year" to which the assessment relates in a manner that reflects the current or former Members' respective interests in the Company for that reviewed year based on such Member's share of such assessment as would have occurred if the Company had amended the tax returns for such reviewed year and such Member incurred the assessment directly (using the tax rates applicable to the Company pursuant to Code Section 6225(b)). To the extent that the Company is assessed amounts under Code Section 6221(a), the current or former Member(s) to which this assessment relates shall pay to the Company such Member's share of the assessed amounts including such Member's share of any additional accrued penalties and interest assessed against the Company relating to such Member's share of the assessment (the "Member Assessment"), upon thirty (30) days of written notice

from the Partnership Representative requesting the payment. If a Member does not timely pay to the Company the full amount of the Member Assessment (the "Tax Defaulting Member"), then the shortfall shall be treated as an amount currently due and payable (the "Tax Payable") by the Tax Defaulting Member to the Company, with the following results:

(A) the unpaid balance of the Tax Payable shall bear default interest at the rate of twelve percent (12%), compounded quarterly, from the day that the Tax Payable is due and payable, together with all accrued default interest, is paid to the Company;

(B) all amounts otherwise distributable or payable by the Company to the Tax Defaulting Member shall be withheld and used to offset the amount that the Tax Defaulting Member owes to the Company until the amount due and all accrued default interest have been paid in full;

(C) in the sole discretion of the Manager, and to the extent permitted by law, the payment of the Tax Payable and accrued default interest shall be secured by a security interest in the Tax Defaulting Member's Class B Units; and

(D) in addition to the other rights and remedies granted to it under this Agreement, the Company has the right to take any action available at law or in equity, at the cost and expense of the Tax Defaulting Member, to obtain payment from the Tax Defaulting Member of the amount of in default on the Tax Payable and all accrued and unpaid default interest. As a result of such default, in the sole discretion of the Manager, and to the extent permitted by law, the Company shall be entitled to all the rights and remedies of a secured party under the Uniform Commercial Code of the applicable state (or states), with respect to the security interest granted. Each Tax Defaulting Member hereby authorizes the Company, as applicable, to prepare and file financing statements and other instruments that the Manager may deem necessary to effectuate and carry out the preceding provisions of this Section. Each Member agrees that the aforesaid liquidated damages provisions constitute reasonable compensation to the Company and its non-defaulting Members for the additional risks and damages sustained by each of them when and if any Tax Defaulting Member shall default on an obligation to pay any Member Assessment.

(ii) At the sole and absolute discretion of the Partnership Representative, with respect to current Members, the Company may alternatively allow some or all of a Member's obligation pursuant to this Section 9.3(d) to be applied to, and reduce, the next distribution(s) or payments otherwise payable to such Member under this Agreement. The provisions contained in this Section 9.3(d)(ii) shall survive (x) the dissolution of the Company, (y) the withdrawal of any Member, or (z) the Transfer of any Member's Class B Units.

(e) Any Person designated as the Partnership Representative shall receive no compensation (other than compensation, if any, otherwise specified in this Agreement) from the Company or its Members for its services in that capacity.

(f) The Partnership Representative may only be removed if (i) an arbitrator or court of competent jurisdiction determines that the Partnership Representative has engaged in gross negligence or willful misconduct with respect to its duties under this Agreement, or (ii) it is determined by the Manager (or an arbitrator or court of competent jurisdiction, if necessary) that a new Partnership Representative should be appointed.

(g) The Manager may, with respect to the Company, make the election provided under Code Section 754 and any corresponding provision of applicable state law.

(h) Each Member covenants (i) to *timely* file all tax returns required to be filed by such Person pursuant to the laws of each applicable Taxing Jurisdiction, and (ii) with respect to each such filing, to report all Company items on such Person's income tax return in a manner consistent with the tax return of the Company. However, if a Member reports a Company item on such Person's income tax return in a manner inconsistent with the tax return of the Company, then such Person shall notify the Manager and the other Members of such treatment before filing such Person's income tax return. If a Member fails to comply with any provision of this Section 9.3(h), then such Person shall be liable to the Company and each Member for any expenses, including professionals' fees, tax, interest, penalties, or litigation costs, that may arise as a consequence of such inconsistent reporting or breach, including those arising as a result of an audit by a Taxing Jurisdiction. The obligations of any Member set forth in this Section 9.3(h) shall apply on a flow through basis and apply to the ultimate beneficial owners of Class B Units.

9.4 Bank Accounts. All funds of the Company shall be deposited in the name of the Company in an account or accounts maintained with such bank or banks selected by the Manager. The funds of the Company shall not be commingled with the funds of any other Person. Checks shall be drawn upon the Company account or accounts only for the purposes of the Company and shall be signed by authorized Persons on behalf of the Company.

9.5 Opportunity Zone Provisions. The Members agree to provide the Manager with any information (i) needed in order for the Company to comply with the Opportunity Zone Provisions, (ii) needed for any Member that is an Opportunity Fund to comply with any of the Opportunity Zone Provisions, including, but not limited to any reporting requirements, and (iii) otherwise related to the Opportunity Zone Incentive and the Opportunity Zone Provisions, to the extent requested by the Manager. Notwithstanding anything to the contrary herein, the Members agree that the Manager shall have the authority to (i) take any actions or require the Company refrain from taking any actions to address, reconcile, or comply with the Opportunity Zone Provisions, and (ii) amend this Agreement to comply with the Opportunity Zone Provisions, and each Member hereby agrees to be bound by the provisions of any such amendment.

ARTICLE X
ADMISSIONS AND WITHDRAWALS; ISSUANCE OF ADDITIONAL UNITS

10.1 Issuance of Additional Units. Subject to the terms and conditions set forth in this Agreement, the Manager is hereby authorized to cause the Company to issue additional Units, including by creating additional classes of Units and to amend this Agreement in connection therewith.

10.2 Right to Withdraw. A Member may withdraw from the Company only with the consent of the Manager.

10.3 Rights of Withdrawn Member. Upon the occurrence of a Withdrawal Event with respect to a Member, the Withdrawn Member (or the Withdrawn Member's personal representative or other successor if applicable) shall cease to have any rights of a Member, except the right to receive distributions occurring at the times and equal in amounts to those distributions the Withdrawn Member would otherwise have received if a Withdrawal Event had not occurred. If there are no remaining Members, distributions to any Withdrawn Member shall be governed by Section 12.2. Any Member permitted to own Units pursuant to this Agreement, but who is not already a signatory to this Agreement must become a party to this Agreement and execute such documents and instruments as the Manager determines necessary or appropriate to confirm such Person as a Member and such Person's agreement to be bound by this Agreement.

ARTICLE XI
TRANSFERABILITY

11.1 General. No Member shall Transfer all or a portion of such Member's Units without the consent of the Manager unless the Transfer constitutes a Permitted Transfer. Without limiting the foregoing, no Member shall create or suffer to exist any Lien upon, in, or in respect of all or any part of any of such Member's Units without the prior written approval of the Manager. If any Member creates or suffers to exist any Lien upon, in, or in respect of all or any part of any of such Member's Units in violation of this Section 11.1, and any third-party holder of such Lien exercises its foreclosure or other rights in or to such Units, (i) such third-party shall not be admitted as a Member with respect to such Units, and (ii) the violating Member shall be liable for, and shall indemnify and hold harmless the Company and the other Members for, from and against, all losses, costs, liabilities and damages that the Company or any such other Member shall incur as a result of or in connection with such violation.

11.2 Permitted Transfer. Subject to the conditions and restrictions set forth in Section 11.3 and Section 11.4, a Transfer of a Member's Units shall constitute a "Permitted Transfer" *provided* that (i) the Member's Units are transferred to a Permitted Transferee, or (ii) the Member's Units are otherwise Transferred in compliance with the provisions of this Article XI. If the transferee of Units in a Permitted Transfer shall not become a Substitute Member, the transferee shall have only the rights set forth in Section 11.5 hereof.

11.3 Conditions To Permitted Transfer. A Transfer shall not be treated as a Permitted Transfer unless all of the following conditions are satisfied:

(a) The transferor and the transferee reimburse the Company for all costs that the Company incurs in connection with such Transfer;

(b) The Transfer does not cause the Company to "terminate" as a partnership for federal income tax purposes (including the Company becoming an entity disregarded as being separate from its owner for federal income tax purposes) unless all of the Members waive this condition in writing;

(c) The transferor and transferee shall furnish the Company with the transferee's taxpayer identification number, sufficient information to determine the transferee's initial tax basis in the Units transferred, and any other information reasonably necessary to permit the Company to file all required federal and state tax returns and other legally required information statements or returns. Without limiting the generality of the foregoing, the Company shall not be required to make any distribution otherwise provided for in this Agreement with respect to any transferred Units until it has received such information;

(d) The Transfer does not cause the Company to become a "publicly traded partnership" within the meaning of Code Section 7704(b);

(e) The Units which are the subject of the Transfer are registered under the Securities Act of 1933, as amended, and any applicable state securities laws, or alternatively, counsel for the Company furnishes an opinion that such Transfer is exempt from all applicable registration requirements or that such Transfer will not violate any applicable securities laws; and

(f) The transferor and the transferee agree to execute such documents and instruments necessary or appropriate in the discretion of the Manager to confirm such Transfer.

11.4 Admission as Substitute Member. A transferee of Units who is not a Member shall be admitted to the Company as a Substitute Member only upon satisfaction of the following conditions:

(a) The Units with respect to which the transferee is being admitted were acquired by means of a Permitted Transfer; and

(b) The transferee becomes a party to this Agreement and executes such documents and instruments as the Manager determines are necessary or appropriate to confirm such transferee as a Member and such transferee's agreement to be bound by the terms of this Agreement.

Any Person who acquires Units and satisfies the requirements of Sections 11.4(a) and 11.4(b) above shall automatically be admitted as a Substitute Member unless the transferor directs in writing to the contrary. Any Member permitted to own Units pursuant to this Agreement, but who is not already a signatory to this Agreement must become a party to this Agreement and execute such documents and instruments as the Manager determines necessary or appropriate to confirm such Person as a Member and such Person's agreement to be bound by this Agreement.

11.5 Rights as Assignee. A Person who acquires Units but who is not admitted to the Company as a Substitute Member shall have only the right to receive the distributions and allocations of Profits and Losses to which the Person would have been entitled under this Agreement with respect to the transferred Units, but shall have no right to vote or otherwise participate in the management of the Company, no right to inspect the books and records of the Company, and no other rights afforded to Members under this Agreement. Any distributions to such purported transferee may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations, or liabilities for damages that the transferor or transferee may have to the Company. Notwithstanding the foregoing, this Section 11.5 shall not

apply to any Person who was a Member before acquiring the Units at issue, unless the transferee of such Units has determined to the contrary as provided in Section 11.2.

11.6 Prohibited Transfers. Any purported Transfer of Units that is not a Permitted Transfer shall be null and void and of no force and effect whatsoever. In the case of an attempted Transfer that is not a Permitted Transfer, the Persons engaging in or attempting to engage in such Transfer shall be liable to and shall indemnify and hold harmless the Company from all loss, costs, liability and damages that the Company or any Member shall incur as a result of such attempted Transfer.

11.7 Legends. Each Member agrees that the following legend shall be placed upon any counterpart of this Agreement or any other instrument or document evidencing ownership of a Unit:

> The Units represented by this document have not been registered under any securities laws and the transferability of such Units is restricted. Such Units may not be sold, assigned, gifted, transferred or otherwise disposed, nor will the vendee, assignee, beneficiary, or transferee be recognized as having acquired such Units for any purposes, unless (a) a registration statement under the Securities Act of 1933, as amended, with respect to such Units shall then be in effect and such has been qualified under all applicable state securities laws, or (b) the availability of an exemption from such registration and qualification shall be established to the satisfaction of counsel for the Company.
>
> The Units represented in this document are further subject to further restriction as to their sale, transfer, hypothecation, or assignment as set forth in the Operating Agreement of the Company and agreed to by each Member and Manager of the Company.

11.8 Distributions in Respect of Transferred Units. If any Units in the Company are transferred during any accounting period in compliance with the provisions of this Article XI, all distributions on or before the date of such Transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee.

11.9 Drag-Along Rights.

(a) If at any time and from time to time the Manager wishes to make a Transfer of all of its Units in a bona fide arms' length transaction or series of related transactions (including by way of purchase agreement, tender offer, merger or other business combination transaction or otherwise) to any Person (other than an Affiliate of the Manager) (the "Proposed Transferee"), then the Manager shall have the right (the "Drag-Along Right") to require each other Member to sell (the "Drag-Along Sale") to the Proposed Transferee all of such other Member's Units (the "Drag-Along Units") in accordance with this Section 11.9. Each Member required to Transfer its Units pursuant to this Section 11.9 shall be referred to herein as a "Drag-Along Co-Seller." In connection with any Drag-Along Sale, the following shall apply:

(i) Subject to Section 11.9(b), each Drag-Along Co-Seller will Transfer its Drag-Along Units on substantially the same terms (other than aggregate price) and conditions applicable to, and for the same type of consideration payable to, the Manager at the price calculated in accordance with Section 11.9(a)(ii); and

(ii) The aggregate purchase price payable for the Units purchased by a Proposed Transferee will be allocated among the Manager and the Drag-Along Co-Sellers in the same amounts and proportions the Members would receive distributions under Section 5.2.

(b) The Drag-Along Co-Sellers shall not be required to (i) make any representations and warranties, other than representations and warranties relating to such Member's good standing, due authorization, due execution, enforceability, lack of conflicts, title to its Units and investment qualifications or (ii) enter into any non-solicitation or non-competition agreement, in connection with the Drag-Along Sale. To the extent that the parties are to provide any indemnification or otherwise assume any other post-closing liabilities, the Manager and each Drag-Along Co-Seller selling Units in a transaction under this Section 11.9 shall do so severally and not jointly (and on a *pro rata* basis in accordance with the consideration received by each such Member in connection with the Drag-Along Sale), and each Member's respective potential liability thereunder shall not exceed the proceeds received by such Member, except with respect to claims related to fraud or willful breach by such Member. In connection with a Drag-Along Sale, the Drag-Along Co-Sellers will also (A) waive any dissenter's rights and other similar rights, (B) take all actions reasonably required, desirable or requested by the Manager to consummate such Drag-Along Sale and (C) comply with the terms of the documentation relating to the Drag-Along Sale.

(c) To exercise a Drag-Along Right, the Manager shall give each Member a written notice (a "Drag-Along Notice") containing a description of (i) the name and address of the Proposed Transferee and (ii) the proposed purchase price of the Units, terms of payment and other material terms and conditions of the Proposed Transferee's offer. Each Member shall thereafter be obligated to sell the Drag-Along Units on the terms set forth in the Drag-Along Notice, *provided* that the sale to the Proposed Transferee is consummated within one hundred eighty (180) days of delivery of the Drag-Along Notice. If the sale is not consummated within such one hundred eighty (180) day period, then each Member shall no longer be obligated to sell such Member's Units pursuant to that specific Drag-Along Right, but shall remain subject to the provisions of this Section 11.9.

(d) For the avoidance of doubt, the Company shall not bear any expenses in connection with a Drag-Along Sale, unless such expenses are incurred for the benefit of all Members and the Company.

11.10 Securities Matters. Notwithstanding anything herein to the contrary, if any "covered person" becomes subject to a "disqualifying event" (as such terms are described in Rule 506(d) of Regulation D) and is a 20% Beneficial Owner of the Company, then to comply with the exemption provided by Rule 506 of Regulation D, the Manager may take any equitable measures as it may determine, in its sole and absolute discretion, including without limitation, the compulsory withdrawal or, the Transfer of all or a portion of, such 20% Beneficial Owner's Membership Interests..

ARTICLE XII
DISSOLUTION AND TERMINATION

12.1 Dissolution. The Company shall be dissolved upon the first to occur of any of the following events:

(a) the election of the Manager to dissolve the Company;

(b) the termination of the legal existence of the last remaining Member of the Company or the occurrence of any other event which terminates the continued membership of the last remaining Member of the Company in the Company unless the Company is continued without dissolution in a manner permitted by this Agreement or the Act; or

(c) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

12.2 Liquidation, Winding Up and Distribution of Assets. The Manager shall, upon dissolution of the Company, proceed to liquidate the Company's assets and properties, discharge the Company's obligations, and wind up the Company's business and affairs as promptly as is consistent with obtaining the fair value thereof. The proceeds of liquidation of the Company's assets, to the extent sufficient therefor, shall be applied and distributed as follows:

(a) first, to the payment and discharge of all of the Company's debts and liabilities (other than debts and liabilities owing to the Members) or to the establishment of any reasonable reserves for contingent or unliquidated debts and liabilities;

(b) second, to the payment of any accrued interest owing on any debts and liabilities owing to Members in proportion to the amount due and owing to each Member;

(c) third, to the payment of outstanding principal amounts owing on any debts and liabilities owing to Members in proportion to the amount due and owing to each Member; and

(d) fourth, to the Members in accordance with Section 5.2.

12.3 Deficit Capital Accounts. No Member shall have any obligation to contribute or advance any funds or other property to the Company by reason of any negative or deficit balance in such Member's Capital Account during or upon completion of winding up or at any other time except to the extent that a deficit balance is directly attributable to a distribution of cash or other property in violation of this Agreement.

12.4 Certificate of Cancellation. When all the remaining property and assets have been applied and distributed in accordance with Section 12.2 hereof, the Manager (or such other Person designated by the Manager) shall cause a Certificate of Cancellation to be filed with the Delaware Secretary of State in accordance with § 18-203 of the Act.

12.5 Return of Contribution Non-Recourse to Other Members. Except as provided by law, upon dissolution, each Member shall look solely to the assets of the Company for the return of the Member's Capital Contributions. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash or other

property contribution of one or more Members, such Members shall have no recourse against the Manager or any other Member.

12.6 In Kind Distributions. A Member shall have no right to demand and receive any distribution from the Company in any form other than cash. However, a Member may be compelled to accept a distribution of an asset in kind if the Company is unable to dispose of all of its assets for cash.

12.7 Corporate Reorganization.

(a) General. If the Manager determines that it is advisable and in the best interests of the Company and the Members to undertake a conversion of the Company from a subchapter K limited liability company to (i) a subchapter C corporation (a "Corporate Successor") and/or (ii) an overall plan to restructure the Company and its assets so that it will qualify as a real estate investment trust under Section 856 of the Code for federal income tax purposes, whether or not in connection with or anticipation of a Public Registration, and whether by conversion, merger or consolidation with and into another Person, recapitalization, Unit exchange, or otherwise (as applicable, a "Corporate Reorganization"), the Manager shall have the power and authority to effect such Corporate Reorganization. The Manager shall use reasonable efforts to undertake any Corporate Reorganization in such manner as would provide for no tax gain or loss to the Members solely as a result of the Corporate Reorganization; provided, however, the Manager and the Company shall have no liability for any such tax gain or loss to the Members.

(b) Further Assurances. In connection with a Corporate Reorganization effected by the Manager in accordance with this Section 12.7, each Member take any and all such action and execute and deliver any and all such instruments and other documents as the Manager may reasonably request in order to effect or evidence such Corporate Reorganization, including (without limitation) a stockholders agreement. Without limiting the generality of the foregoing, no Member shall have or be entitled to exercise any dissenters' rights, appraisal rights or other similar rights in connection with a Corporate Reorganization. The Members shall cooperate with the Manager in all respects in connection with a Corporate Reorganization effected in compliance with this Agreement.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

13.1 Notices. Except as otherwise provided herein, any notice, demand, or communication required or permitted to be given to a Member or Manager by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if (a) delivered personally to the Member or Manager, (b) sent by facsimile or electronic mail transmission, or (c) sent by registered or certified mail, postage prepaid, addressed to the Member's address set forth on the Member Register or the Manager's address on file with the Company. Except as otherwise provided herein, any such notice shall be deemed to be given (i) on the date on which the same was personally delivered, (ii) on the date on which the notice was transmitted by facsimile or electronic mail transmission if confirmation thereof is obtained, or (iii) if sent by registered or certified mail, on the third (3rd) day after such notice was deposited in the United States mail addressed as aforesaid.

13.2 Further Assurances. At any time and from time to time after the date of this Agreement, upon the request of the Manager, the Members shall do and perform, or cause to be done and performed, all such additional acts and deeds, and shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all such additional instruments and documents, as may be required to best effectuate the purposes and intent of this Agreement.

13.3 Governing Law. This Agreement and the rights of the parties hereunder will be governed by, interpreted, and enforced in accordance with the laws of the State of Delaware without regard for conflict of laws rules.

13.4 Entire Agreement.

(a) This Agreement, including, without limitation, all attachments hereto, and, with respect to each Investor Member, the Subscription Agreement executed and delivered by such Investor Member, and any Side Letter with such Investor Member entered into by the Manager on behalf of the Company, each as modified from time to time, together with all attachments thereto, represents the entire agreement between the parties and supersedes any prior understanding or agreement among them respecting the subject matter hereof. There are no representations, arrangements, understandings or agreements, oral or written, among the parties hereto relating to the subject matter of this Agreement, or the Subscription Agreement, or Side Letter, as applicable, except those fully expressed herein or therein.

(b) In the event of any inconsistencies between any terms and conditions contained in this Agreement and any provisions of the Offering Materials, the terms of this Agreement govern and control. A breach by any Investor Member under its Subscription Agreement, or Side Letter will be treated as a breach by the Investor Member of this Agreement, and each Investor Member hereby consents to such treatment.

(c) Notwithstanding anything to the contrary contained herein or any Subscription Agreement, in addition to this Agreement and the Subscription Agreements, the Members hereby acknowledge and agree that the Manager on its own behalf or on behalf of the Company, without the approval of any Member, may execute Side Letters to or with Investor Members, executed contemporaneously with the admission of Investor Members to the Company, affecting the terms hereof or of the Subscription Agreements in order to meet certain requirements of such Investor Members. The parties hereto agree that any terms contained in a Side Letter to or with an Investor Member shall govern with respect to such Investor Member notwithstanding the provisions of this Agreement or the Subscription Agreements. Notwithstanding the foregoing, except as provided in any Side Letter, and no investor in the Company will be entitled to any different or more favorable provision than is set forth in this Agreement or Side Letter for such investor. There are no representations, agreements, arrangements, or understandings, oral or written, among the Members relating to the Company which are not fully expressed in this Agreement, the Subscription Agreements, or the Side Letters.

13.5 Amendments. The Manager shall be permitted to amend this Agreement, without requiring any Investor Member's consent, and the Members agree to be bound by such amendment, so long as such amendment would not materially, disproportionately and adversely affect such Investor Member. Amendments to this Agreement are deemed not to materially,

disproportionately, or adversely affect any Investor Member which are necessary to (i) correct a typographical error, correct any manifest error, and correct, clarify or supplement any provision which may be inconsistent with any other provisions; (ii) reflect the authorization and issuance of any additional classes of units pursuant to Section 3.1(c) or in connection with an Additional Offering pursuant to Section 3.5; (iii) reflect any amendments, changes, modifications, clarifications, or any additional guidance or other requirements enacted or issued (whether proposed, temporary, or final) with respect to (A) the Opportunity Zone Provisions, (B) the qualification of the assets of the Company, including any Subsidiary or Affiliate, or (C) any other technical requirements with respect to the Opportunity Zone Incentive or by the Community Development Financial Institutions Fund; (iv) ensure that the Company will not be treated as an association taxable as a corporation for federal income tax purposes, or an entity disregarded as being separate from its owner for federal income tax purposes, or to prevent the Company or the Manager from in any manner being deemed an "investment company" subject to the provisions of the Investment Company Act of 1940, as amended, or in connection with qualifying the Company to permit limited liability under the laws of any state or other jurisdiction or to prevent the Company or any Member from being materially and adversely affected because of legal restrictions applicable to any Member or to the Company; (v) satisfy any requirements, conditions, guidelines or opinions contained in any opinion, directive, order, ruling or regulation of the Securities and Exchange Commission, the Internal Revenue Service or any other U.S. federal or state or non U.S. governmental agency, or in any U.S. federal or state or non U.S. statute, compliance with which the Manager deems to be in the best interests of the Company; (vi) reflect the election, removal, or resignation of a Manager pursuant to Article IV; (vii) reflect any amendment made to any operating agreement of the Company to the extent applicable and/or permitted by the relevant agreement and any Side Letters; (viii) cause the Member Register to be amended as provided herein; or (ix) to cause this Agreement, the Company or the activities of the Company to be in compliance with any terms, conditions or requirements of any financing or refinancing of Company indebtedness or loan associated with all or any portion of the Company's assets. Notwithstanding the foregoing, no Member consent shall be required in the withdrawal of a 20% Beneficial Owner (or a Transfer of such 20% Beneficial Owner's Membership Interest) pursuant to Section 11.10.

13.6 Additional Documents and Acts. Each Member agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and the transactions contemplated hereby.

13.7 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent, or intent of this Agreement or any provision hereof.

13.8 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under the present or future laws effective during the term of this Agreement, such provision will be fully severable, and the remaining provisions of this Agreement will remain in full force and effect.

13.9 Heirs, Successors, and Assigns. Each and all of the covenants, terms, provisions, and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto

and, to the extent permitted by this Agreement and by applicable law, their respective heirs, legal representatives, successors, and assigns.

13.10 Creditors and Other Third Parties. None of the provisions of this Agreement shall be for the benefit of, or enforceable, by any creditors of the Company or any other third parties.

13.11 Section, Other References. Except to the extent provided, references to the terms "Section," "Schedule," "Exhibit," or "Appendix" mean to the corresponding Sections, Schedules, Exhibits, or Appendices attached to or referred to in this Agreement. Any reference to an Exhibit to this Agreement contained herein shall be deemed to include any Schedule(s) to such Exhibit. Each Appendix, Exhibit and Schedule referred to in this Agreement is hereby incorporated by reference in this Agreement as if such Appendix, Exhibit or Schedule were set out in full in the text of this Agreement.

13.12 Authority to Adopt Agreement. By execution hereof, each Member represents, and covenants as follows:

(a) the Member has full legal right, power, and authority to deliver this Agreement and to perform the Member's obligations hereunder;

(b) this Agreement constitutes the legal, valid, and binding obligation of the Member enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy and other laws of general application relating to creditors' rights or general principles of equity;

(c) this Agreement does not violate, conflict with, result in a breach of the terms, conditions or provisions of, or constitute a default or an event of default under any other agreement of which the Member is a party; and

(d) the Member's investment in Units in the Company is made for the Member's own account for investment purposes only and not with a view to the resale or distribution of such Units.

13.13 Leveraging. No Member is permitted to leverage such Member's or Member's Units for any purpose unless otherwise approved by the Manager, except as expressly provided herein.

13.14 Counterparts. This Agreement may be executed in one or more counterparts each of which shall for all purposes be deemed an original and all of such counterparts, taken together, shall constitute one and the same Agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission or .PDF delivered via email will constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes.

13.15 Waiver. The due performance or observance by the parties hereto of their respective obligations under this Agreement shall not be waived, and the rights and remedies of the parties hereunder shall not be affected, by any course of dealing or performance or by any delay or failure of any party in exercising any such right or remedy. The due performance or

observance by a party of any of its obligations under this Agreement may be waived only by a writing signed by the party against whom enforcement of such waiver is sought, and any such waiver shall be effective only to the extent specifically set forth in such writing.

13.16 Determination of Matters Not Provided For in This Agreement. The Manager shall decide any and all questions arising with respect to the Company and this Agreement which are not specifically or expressly provided for in this Agreement.

13.17 Acceptance of Prior Acts by New Members. Each Person becoming a Member, by becoming a Member, ratifies, affirms and confirms, and agrees to be bound by, all actions duly taken by the Company, pursuant to the terms of this Agreement, prior to the date such Person becomes a Member.

13.18 Certification of Non-Foreign Status. In order to comply with Code Section 1445 and the applicable Regulations thereunder, in the event of the disposition by the Company of a United States real property interest as defined in the Code and Regulations, each Member shall provide to the Company an affidavit stating, under penalties of perjury, (a) the Member's address, (b) the Member's United States taxpayer identification number, and (c) that the Member is not a foreign person as that term is defined in the Code and Regulations. Failure by any Member to provide such affidavit by the date of such disposition shall authorize the Manager to withhold fifteen percent (15%), or such other percentage or amount required to be withheld under applicable law, of each such Member's distributive share of the amount realized by the Company on the disposition.

13.19 Side Letters. Notwithstanding any provisions of this Agreement (including Section 13.4 hereof) to the contrary, it is hereby acknowledged and agreed that, the Company, and the Manager on its own behalf or on behalf of the Company, may, without the approval of any other Member, enter into one or more side letter or similar agreement to or with one or more Members (each, a "Side Letter" and, collectively, the "Side Letters"), each of which has the effect of establishing rights under, or altering or supplementing the terms of, this Agreement or of any subscription agreements between such Member and the Company (so long as the rights and obligations of the other Members set forth in this Agreement are not adversely impacted by the applicable Side Letter). The parties hereto agree that any terms contained in a Side Letter shall govern with respect to such Member notwithstanding the provisions of this Agreement or of any subscription agreement. Except as required by law, the Manager and the Company shall not be required to deliver any of the Side Letters or the terms and agreements contained therein to any Member.

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IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, have duly executed this Amended and Restated Limited Liability Company Agreement as of the date first written above.

MANAGER:

Pickleball at Riverwalk ManageCo, LLC,
an Arizona limited liability company

DocuSigned by:
By: John C Loeffler II
Name: John C Loeffler II
Title: Manager

INVESTOR MEMBERS

THE UNDERSIGNED HEREBY EXECUTES THIS AGREEMENT ON BEHALF OF EACH OF THE INVESTOR MEMBERS PURSUANT TO THE POWER OF ATTORNEY GRANTED BY THE INVESTOR MEMBERS IN EACH OF THEIR SUBSCRIPTION AGREEMENTS

By: DocuSigned by: John C Loeffler II
1EA0720042E4F1...
John C Loeffler II, as Authorized Person of Pickleball at Riverwalk ManageCo, LLC, as Power of Attorney for each of the Investor Members

[SIGNATURE PAGE TO AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF PICKLEBALL AT RIVERWALK OPPORTUNITY ZONE FUND, LLC]

APPENDIX 1

SPECIAL TAX AND ACCOUNTING PROVISIONS

A1. Accounting Definitions. The following terms, which are used predominantly in this Appendix 1, shall have the meanings set forth below for all purposes under this Agreement.

"Adjusted Capital Account Balance" means, with respect to any Member, the balance of such Member's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts which such Member is obligated to restore pursuant to this Agreement or as determined pursuant to Regulations Section 1.704-1(b)(2)(ii)(c), or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in clauses (4), (5) and (6) of Regulations Section 1.704-1(b)(2)(ii)(d).

The foregoing definition of Adjusted Capital Account Balance is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Adjustment Date" means the date on which any of the following occurs: (i) the acquisition of additional Units in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of cash or property as consideration for Units in the Company, if (in any such event) such adjustment is necessary or appropriate, in the reasonable judgment of the Manager, to reflect the relative economic interests of the Members in the Company; (iii) the liquidation of the Company for federal income tax purposes pursuant to Regulations Section 1.704-1(b)(2)(ii)(g); or (iv) the grant of an interest in the Company (other than a de minimis interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in a Member capacity, or by a new Member acting in a Member capacity or in anticipation of being a Member.

"Capital Account" means, with respect to any Member or other owner of Units in the Company, the Capital Account maintained for such Person in accordance with the following provisions:

(a) To each such Person's Capital Account there shall be credited the amount of money and the initial Gross Asset Value of such Person's Capital Contributions, such Person's distributive share of Profits and any items in the nature of income or gain that are specially allocated pursuant to Sections A2 and A3 hereof, and the amount of any Company liabilities assumed by such Person, as described in Regulations Section 1.704-1(b)(2)(iv)(c);

(b) To each such Person's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Company property distributed to such Person pursuant to

any provision of this Agreement as determined by the Manager, such Person's distributive share of Losses, and any items in the nature of expenses or losses that are specially allocated pursuant to Sections A2 and A3 hereof, and the amount of any liabilities of such Person assumed by the Company, as described in Regulations Section 1.704-1(b)(2)(iv)(c);

(c) In the event any Units are transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Units;

(d) Code Section 752(c) shall be applied in determining the amount of any liabilities taken into account for purposes of this definition of "Capital Account";

(e) The Capital Accounts of all Members shall also be increased or decreased immediately prior to any Adjustment Date to reflect the aggregate net increase or decrease in Gross Asset Values made pursuant to subparagraph (b) of the definition of Gross Asset Value as if the upward or downward change in the Gross Asset Value arising from such adjustment had been income or loss, respectively, and allocated among the Members pursuant to Section 6.1 and

(f) The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Sections 1.704-1(b) and 1.704-2 and shall be interpreted and applied in a manner consistent with such Regulations. The Manager may modify the manner of computing the Capital Accounts or any debits or credits thereto (including debits or credits relating to liabilities that are secured by contributed or distributed property or that are assumed by the Company or any Member) in order to comply with such Regulations, ***provided*** that any such modification is not likely to have a material effect on the amounts distributable to any Member pursuant to Section 12.2 upon the dissolution of the Company. Without limiting the generality of the preceding sentence, upon approval by the Manager, the Company shall make any adjustments that are necessary or appropriate to maintain equality between the aggregate sum of the Capital Accounts and the amount of capital reflected on the balance sheet of the Company, as determined for book purposes in accordance with Regulations Section 1.704-1(b)(2)(iv)(g). Upon approval by the Manager, the Company shall also make any appropriate modifications if unanticipated events (for example, the availability of investment tax credits) might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b).

"Company Minimum Gain" has the same meaning as the term "partnership minimum gain" under Regulations Section 1.704-2(d).

"Depreciation" means, for each Fiscal Year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; ***provided, however,*** that if such depreciation, amortization or other cost recovery deductions with respect to any such asset for federal income tax purposes is zero for any Fiscal Year, Depreciation shall be determined with reference to the

asset's Gross Asset Value at the beginning of such year using any reasonable method selected by the Manager.

"Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value for any asset (other than money) contributed by a Member to the Company shall be as determined by the Manager and the contributing Member;

(b) The Gross Asset Value of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Manager as of the following times: (i) the acquisition of additional Units in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of cash or property as consideration for Units in the Company, if (in any such event) such adjustment is necessary or appropriate, in the reasonable judgment of the Manager, to reflect the relative economic interests of the Members in the Company; (iii) the liquidation of the Company for federal income tax purposes pursuant to Regulations Section 1.704-1(b)(2)(ii)(g); or (iv) the grant of an interest in the Company (other than a de minimis interest) as consideration for the provision of services to or for the benefit of the Company by an existing Member acting in a Member capacity, or by a new Member acting in a Member capacity or in anticipation of being a Member;

(c) The Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal its gross fair market value on the date of distribution;

(d) The Gross Asset Value of the Company's assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and Section A2(g) hereof; *provided*, *however*, that Gross Asset Values shall not be adjusted pursuant to this subsection (d) to the extent that an adjustment pursuant to subsection (b) of this definition is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subsection (d); and

(e) If the Gross Asset Value of an asset has been determined or adjusted pursuant to subsection (a), (b) or (d) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account from time to time with respect to such asset for purposes of computing Profits and Losses.

"Member Nonrecourse Debt" has the same meaning as the term "partner nonrecourse debt" under Regulations Section 1.704-2(b)(4).

"Member Nonrecourse Debt Minimum Gain" has the same meaning as the term "partner nonrecourse debt minimum gain" under Regulations Section 1.704-2(i)(2) and shall be determined in accordance with Regulations Section 1.704-2(i)(3).

"Member Nonrecourse Deductions" has the same meaning as the term "partner nonrecourse deductions" under Regulations Section 1.704-2(i)(1). The amount of Member Nonrecourse Deductions with respect to a Member Nonrecourse Debt for each Fiscal Year of the Company equals the excess (if any) of the net increase (if any) in the amount of Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt during such Fiscal Year over the aggregate amount of any distributions during such Fiscal Year to the Member that bears the economic risk of loss for such Member Nonrecourse Debt to the extent that such distributions are from the proceeds of such Member Nonrecourse Debt which are allocable to an increase in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(2).

"Nonrecourse Debt" or "Nonrecourse Liability" has the same meaning as the term "nonrecourse liability" under Regulations Section 1.704-2(b)(3).

"Nonrecourse Deductions" has the meaning set forth in Regulations Section 1.704-2(b)(1). The amount of Nonrecourse Deductions for a Company Fiscal Year equals the excess (if any) of the net increase (if any) in the amount of Company Minimum Gain during that Fiscal Year over the aggregate amount of any distributions during that Fiscal Year of proceeds of a Nonrecourse Debt that are allocable to an increase in Company Minimum Gain, determined according to the provisions of Regulations Section 1.704-2(c).

"Profits" or "Losses" means, for each Fiscal Year or other period, the taxable income or taxable loss of the Company as determined under Code Section 703(a) (including in such taxable income or taxable loss all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1)) with the following adjustments:

(a) All items of gain or loss resulting from the sale of any Company property shall be computed by reference to the Gross Asset Value of such property notwithstanding that the adjusted tax basis differs from its Gross Asset Value thereof;

(b) Any income of the Company that is exempt from federal income tax shall be added to such taxable income or loss;

(c) Any expenditures of the Company that are described in Code Section 705(a)(2)(B), or treated as such pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and that are not otherwise taken into account in the computation of Profits and Losses pursuant to this definition of "Profits" and "Losses" shall be included in the determination of Profits or Losses;

(d) If the Gross Asset Value of any Company asset is adjusted pursuant to subsection (b) or (c) of the definition of "Gross Asset Value" set forth in this Appendix 1, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses unless such gain or loss is specially allocated pursuant to Section A2 hereof;

(e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in determining such taxable income or loss, there shall be deducted Depreciation, computed in accordance with the definition of such term in this Appendix 1, and

(f) Notwithstanding any of the foregoing provisions, any items that are specially allocated pursuant to Section A2 or A3 hereof shall not be taken into account in computing Profits or Losses.

A2. Special Allocations. The allocation of Profits and Losses for each Fiscal Year shall be subject to the following special allocations in the order set forth below:

(a) Company Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain for any Fiscal Year, each Member shall be specially allocated items of income and gain for such year (and, if necessary, for subsequent years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain during such year, determined in accordance with Regulations Section 1.704-2(g)(2). Allocations pursuant to the preceding sentence shall be made among the Members in proportion to the respective amounts required to be allocated to each of them pursuant to such Regulation. The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(f)(6). Any special allocation of items of Company income and gain pursuant to this Section A2(a) shall be made before any other allocation of items under this Appendix 1. This Section A2(a) is intended to comply with the "minimum gain chargeback" requirement in Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) Member Nonrecourse Debt Minimum Gain Chargeback. If there is a net decrease during a Fiscal Year in the Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt, then each Member with a share of the Member Nonrecourse Debt Minimum Gain attributable to such debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of income and gain for such year (and, if necessary, subsequent years) an amount equal to such Member's share of the net decrease in the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the preceding sentence shall be made among the Members in proportion to the respective amounts to be allocated to each of them pursuant to such Regulation. Any special allocation of items of income and gain pursuant to this Section A2(b) for a Fiscal Year shall be made before any other allocation of Company items under this Appendix 1, except only for special allocations required under Section A2(a) hereof. The items to be so allocated shall be determined in accordance with Regulations Section 1.704-2(i)(4). This Section A2(b) is intended to comply with the provisions of Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) Qualified Income Offset. If any Member receives any adjustments, allocations, or distributions described in clauses (4), (5) or (6) of Regulations Section 1.704-1(b)(2)(ii)(d), items of income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate as quickly as possible, to the extent required by such Regulation, any deficit in such Member's Adjusted Capital Account Balance, such balance to be determined after all other allocations provided for under this Appendix 1 have been tentatively made as if this Section A2(c) were not in this Agreement.

(d) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of (i) the amount (if any) such Member is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount

such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of income and gain in the amount of such excess as quickly as possible, *provided* that an allocation pursuant to this Section A2(d) shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Appendix 1 have been made as if Section A2(c) hereof and this Section A2(d) were not in the Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated to the Members as determined by the Manager in its sole discretion.

(f) Member Nonrecourse Deductions. Member Nonrecourse Deductions for any Fiscal Year or other period shall be specially allocated, in accordance with Regulations Section 1.704-2(i)(1), to the Members who bear the economic risk of loss for the Member Nonrecourse Debt to which such deductions are attributable.

(g) Code § 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset under Code Section 734(b) or 743(b) is required to be taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Regulations.

(h) Syndication Expenses. Any syndication expenses which must be deducted from each Member's Capital Account in accordance with Regulation Section 1.704-1(b)(2)(iv)(i)(2) in the year paid shall be allocated pro rata to the Members as determined by the Manager in its sole discretion. If Members are admitted to the Company on different dates, all syndication expenses shall be divided among the Members from time to time so that, to the extent possible, the cumulative syndication expenses allocated pursuant to this Section A2(h) with respect to each Unit is the same amount. In the event the Manager shall determine that such result is not likely to be achieved through future allocations of syndication expenses, the Manager may allocate a portion of Profits or Losses so as to achieve the same effect on the Capital Accounts of the Members, notwithstanding any other provision of this Agreement.

A3. Curative Allocations. The allocations set forth in subsections (a) through (h) of Section A2 hereof ("Regulatory Allocations") are intended to comply with certain requirements of Regulations Sections 1.704-1(b) and 1.704-2. Notwithstanding any other provisions of this Appendix 1 (other than the Regulatory Allocations and the next two (2) following sentences), the Regulatory Allocations shall be taken into account in allocating other Profits, Losses and items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other Profits, Losses and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred. For purposes of applying the preceding sentence, Regulatory Allocations of Nonrecourse Deductions and Member Nonrecourse Deductions shall be

offset by subsequent allocations of items of income and gain pursuant to this Section A3 only if (and to the extent) that: (a) the Manager reasonably determines that such Regulatory Allocations are not likely to be offset by subsequent allocations under Section A2(a) or Section A2(b) hereof, and (b) there has been a net decrease in Company Minimum Gain (in the case of allocations to offset prior Nonrecourse Deductions) or a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt (in the case of allocations to offset prior Member Nonrecourse Deductions). The Manager shall apply the provisions of this Section A3, and shall divide the allocations hereunder among the Members, in such manner as will minimize the economic distortions upon the distributions to the Members that might otherwise result from the Regulatory Allocations.

A4. General Allocation Rules. For purposes of determining the Profits, Losses or any other items allocable to any period, Profits, Losses and any such other items shall be determined on a daily, monthly or other basis, as determined by the Manager using any method permissible under Code Section 706 and the Regulations thereunder. For purposes of determining the Members' proportionate shares of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section 1.752-3(a)(3), their respective interests in Member profits, as determined by the Manager in its sole discretion.

A5. Recharacterization of Fees or Distributions. In the event that a guaranteed payment to a Member is ultimately recharacterized (as the result of an audit of the Company's return or otherwise) as a distribution for federal income tax purposes, and if such recharacterization has the effect of disallowing a deduction or reducing the adjusted basis of any asset of the Company, then an amount of Company gross income equal to such disallowance or reduction shall be allocated to the recipient of such payment. In the event that a distribution to a Member is ultimately recharacterized (as the result of an audit of the Company's return or otherwise) as a guaranteed payment for federal income tax purposes, and if any such recharacterization gives rise to a deduction, such deduction shall be allocated to the recipient of the distribution.

A6. Recapture of Deductions and Credits. If any "recapture" of deductions or credits previously claimed by the Company is required under the Code upon the sale or other taxable disposition of any Company property, those recaptured deductions or credits shall, to the extent possible, be allocated to Members, pro rata in the same manner that the deductions and credits giving rise to the recapture items were allocated using the "first-in, first-out" method of accounting; *provided*, *however*, that this Section A6 shall only affect the characterization of income allocated among the Members for tax purposes.

EXHIBIT A

AFFILIATE SERVICES AND RATES

Management Fee: The Management Fee is a re-occurring, annual fee, payable in arrears each month based on the aggregate Capital Contributions of the Investor Members as of the last day of each such month and is equal to 1.5% of the aggregate Capital Contributions of the Investor Members (without respect of any return of capital contributions, except for wholly or partially redeemed Investor Members. It is anticipated that the source of funds used to pay this fee will initially be from the Capital Contributions of the Investor Members and then, if available, from financing proceeds and/or operational cash flow. If any direct or indirect subsidiary of the Company pays to Caliber or its Affiliate any similar fee, the Management Fee described herein shall be reduced on a dollar-for-dollar basis with respect to the Capital Contributions made by the Company to such direct or indirect subsidiary.

Sponsor Platform Organizational & Offering Fee: The Sponsor Platform Organizational and Offering Fee is a one-time fee, due and payable over the course of the first twelve (12) months of capital raising in an amount equal to seventy five thousand dollars ($75,000) per calendar quarter. It is anticipated that the source of funds used to pay this fee will be from the initial Capital Contributions of the Investor Members. In the case of a reduced administrative and marketing burden or otherwise, Caliber may determine, in its reasonable discretion that the services provided by Caliber Services, LLC in connection with the Sponsor Platform Organizational and Offering Services Agreement can be reduced, Caliber may reduce such fee in amount it determines appropriate (as it determines in its discretion).

Loan Guaranty Fee (if applicable): The Loan Guaranty Fee is 0.25% of the gross value of a loan that is guaranteed by such guarantor, paid by Property Entity to the entities or person guaranteeing the loan. The Loan Guaranty Fee is a re-occurring, annual fee, payable in arrears each month. It is anticipated that the source of funds used to pay this fee will initially be from the Capital Contributions of the Investor Members and then, if available, from financing proceeds and/or operational cash flow.

Development Fee: Up to a maximum of four percent (4%) of the total gross project costs, including the cost of the land (based on the gross acquisition cost of the underlying property). To the extent those services are split, the fee is split accordingly between Caliber and the PP Member. The Development Fees are recognized and paid throughout the course of the development and construction of the project. Three quarters of the Development Fee for the pre-construction development activities will be due and payable as the specified tasks therein are completed. In addition, one quarter of the Development Fees for the construction development activities will be due and payable in equal monthly installments over the project timeline, beginning after the pre-construction development activities are completed; provided however that in the event of delays, adjustments, or changes to the project timeline, or to costs of the project, the aforementioned monthly payment amounts shall be recalculated and reconciled (i.e. trued-up) as appropriate to cause the full amortization of these Development Fees by the end of the revised project timeline. It is anticipated that the source of funds used to pay this fee will be from the initial Capital Contributions of the Investor Members or from proceeds received in connection with construction loan financing.

Construction Management Fee: Up to a maximum of four percent (4%) of hard project costs (which is intended to be based on the gross payments to the general contractor, plus at times certain other amounts paid (e.g. furniture, fixtures and equipment). The Construction Management Fee will be paid from Property Entity to Caliber Development, LLC. The Construction Management Fee is typically paid to the payee on a monthly or quarterly basis as costs are incurred). It is anticipated that the source of funds used to pay this fee will be from the initial Capital Contributions of the Investor Members or from proceeds received in

connection with construction loan financing.

Real Estate Brokerage Fee (if applicable): A market-rate fee for real estate brokerage services, up to three percent (3%) on the purchase or sale of any real property held by Property Entity, depending on the asset class, representation (dual or single), and transaction size payable to Caliber Realty, LLC by Property Entity. The Real Estate Brokerage Fee may be reduced by any commissions paid by Property Entity to any third party engaged by Property Entity performing similar services.

Disposition Fee: Up to one percent (1%) of price paid on the sale of any real property held by Property Entity. The Disposition Fee (as applicable) is a one-time fee payable upon the closing of any real estate disposition by Property Entity. Any such fee paid with respect to the disposition of any real property is anticipated to be paid from proceeds received from such sale transaction. If applicable, all or a portion of the Disposition fee may be waived if the sale of the asset does not result in a profitable disposition. If a Real Estate Brokerage Fee (described above) is paid to Caliber Realty, LLC, then the Disposition Fee may be reduced by any fee paid by Property Entity as applicable.

Managing Broker Fees and Commissions: The Company has entered into an agreement with Tobin & Company Securities LLC, a registered broker/dealer and member FINRA/SIPC ("Managing Broker"), pursuant to which the securities will be offered and sold. Salespersons affiliated with Caliber (but who are licensed and managed through the Managing Broker) will receive selling commissions up to two percent (2.00%) of all sales of securities (based on the principal amount of the securities issued). Other fees that will be paid to Tobin & Company Securities LLC include the following: (1) a non-refundable engagement fee of ten thousand dollars ($10,000) that was or will be paid upon execution of a placement agreement between the Company and the Managing Broker; (2) monthly non-refundable retainer fee of five thousand dollars ($5,000) (which is reduced on a dollar-for-dollar basis by any amounts paid under the placement fee (as described in item no. 3 below); and (3) a placement fee up to one percent (1.00%) of all sales of securities (based on the principal amount of the securities issued).

Facilities Management Fee: Five Percent (5%) of the gross revenue collected and received by the management company in connection with the operation of the facility and Property's business operations. The Facilities Management Fee is a re-occurring, monthly fee, payable in arrears each month.

It is anticipated that the source of funds used to pay this fee will initially be from the Capital Contributions of the Investor Members and then, if available, from financing proceeds and/or operational cash flow.

APPENDIX B

Confidential Investment Overview & Executive Summary

[See Attached]

Important Notices

This Confidential Investment Overview is an appendix to the Memorandum. It was prepared on behalf of Company by the Manager. It is provided for informational and discussion purposes only and is not, and may not be relied on in any manner as, legal, business, financial, tax or investment advice or as an offer to sell or a solicitation of an offer to buy an interest in any security. All capitalized terms not defined in this document have meanings set forth in the Memorandum. The Offering is only being made pursuant to the Subscription Agreement, LLC Agreement, and the Memorandum. This Appendix B is only a part of this Memorandum. The Memorandum, including this Appendix B, is being furnished to Accredited Investors on a confidential basis for their review in connection with their consideration of the Offering. Prospective investors ("*Investors*") must, at a minimum, qualify as "accredited investors" under the Securities Act and the rules and regulations thereunder.

The information and any financial models contained herein are preliminary and for general reference only. They along with any discussion of strategy, processes, targeted returns, projections, or other forecasts or expectations contained in this presentation are based on information available as of the date hereof and assumptions based on that information. Such assumptions are subjective in nature and may prove materially inaccurate based on a number of factors that are not included in this presentation, including circumstances and events that have not yet taken place, may never take place, and are subject to material variation. Accordingly, actual results may vary substantially from any underwriting models presented herein and the assumptions on which they were based. While the information presented is believed to be reliable, neither Company, nor the Manager, nor their affiliates represent or warrant its accuracy or completeness. Any interested party, Investor or lender, should seek the advice and/or counsel from their own attorney, accountant, consultant, engineer or other professional or expert deemed appropriate.

No assurance can be given that the investment objectives of Company will be achieved. Further information about the project is included herein. However, this document does not contain all of the information and risk factors that would be important to an Investor in making an investment decision and is not an offer to sell a security or the solicitation of an offer to buy a security. A discussion of some of the risks associated with the Property and an investment in the Company is included as Appendix B. This document and its contents are strictly confidential.

Neither Company, the Manager, nor any of their respective affiliates make any undertaking to update the information herein, and such information may be superseded by, and is qualified in its entirety by, reference to the other information in this Memorandum. To the extent that there is any inconsistency between this document and the Subscription Agreement, the LLC Agreement or the Memorandum, such disclosures and provisions of those other documents will control.

The Units purchased in the Offering will not be registered under the Securities Act, the securities laws of any U.S. State, or the securities laws of any other jurisdiction, nor will Company be registered under the Investment Company Act of 1940, as amended. Furthermore, neither Company, nor the Manager, nor the individuals who serve as the officers thereof, are registered (nor do they expect to register) as investment advisers under the Investment Advisers Act. Neither the Securities and Exchange Commission nor any other U.S. or Non-U.S. securities regulatory authority has passed or will pass upon the accuracy or adequacy of this Confidential Investment Overview or the Memorandum to which this Confidential Investment Overview is attached, or approve or disapprove of any investment in Company. Any representation to the contrary is a criminal offense. Significant restrictions, under both applicable law and the governing documents of Company, will exist on the transferability of Units. There is no guarantee that an Investor will receive any return on, or even a return of, an Investor's capital contributions.

Pickleball at Riverwalk Opportunity Zone Fund, LLC

Confidential Investment Overview & Executive Summary

Caliber is partnering with PURE Pickleball to co-develop a world-class pickleball facility near Talking Stick Resort & Casino in Scottsdale, Arizona. The facility will sit on an ±11.44-acre site at Riverwalk. Pickleball at Riverwalk Opportunity Zone Fund is creating a Qualified Opportunity Zone fund for the single purpose of investment in this business and real estate, which means qualified investors will be able to invest in this pickleball venture directly.

The facility will consist of a ±186,423 square foot indoor pickleball club. There will be a total of 50 courts including one main championship court and two padel courts. The floor plan provides for a number of different ancillary uses including a small fitness center, pro-shop, teen room, office, restaurant, and locker rooms. On the partial second floor, the facility offers a more private area meant to host specific VIP and corporate events for smaller groups of people. The second story a mezzanine level and is only provided in the clubhouse area of the facility. The championship court provides the ability for approximately 228 seats with the two expandable bleacher areas. It is anticipated that the facility hosts one to two large tournaments a year. The day-to-day function of the facility will be a club environment with play open to the public. The facility will be membership based but provide drop-in play for the public throughout the day.

Project Summary

PURE Pickleball Project	
Location:	Riverwalk at Talking Stick Off the Loop 101, between Talking Stick Way and Via de Venatura in Scottsdale, Arizona
Use:	±186,423 sf world-class indoor pickleball facility
Parcel Size:	±11.44 Acres
BIA Tract #:	713-B and 714-A

Sources and Use of Proceeds

Sources		Uses	
Land Contribution	$11,960,774	Acquisition Costs	($11,960,774)
Equity Raise	$22,000,000	Soft Costs	($6,181,224)
Construction Loan	$31,204,594	Hard Costs	($42,545,676)
		Financing Costs	($1,721,515)
		Equity Fee Reserve	($2,756,180)
Total	**$65,165,369**	**Total**	**($65,165,369)**

Estimated Project Timeline

Stage	Project Timeline
Estimated Ground Breaking	Q2 2025
Construction Period	12+ Months
Complete Construction	Q2 2026
Stabilization	Q2 2027
Property Disposition	Q2 2034

Offering Highlights

Maximum Raise Amount:	$22,000,000[1]
Minimum Investment Amount:	$100,000
Class B Preferred Return:	6% Annualized, non compounding
Estimated Hold Period:	10 Years
Cash Flow from Operations - FundCo[2]:	• First, 100% to the equity investors of the FundCo until such holders have received amounts equal to a 6% preferred return, pro rata; • Second, (i) 70% to the equity investors of the FundCo until such holders have received a 15% IRR, and (ii) 30% to GP or its affiliate; • Third, (i) 60% to the equity investors of the FundCo until such holders have received a 18% IRR, and (ii) 40% to GP or its affiliate; and • Thereafter, (i) 50% to the equity investors of the FundCo, and (ii) 50% to GP or its affiliate.
Cash Flow from Operations - Class B Investors[2]:	• First, 100% to the holders of Units until such holders have received amounts equal to a 6% preferred return, pro rata based on the accrued and unpaid preferred return due and owing to the Investors. • Thereafter, 100% of the proceeds are distributed pro rata to the holders of the Units.

[1] The Maximum Raise Amount may be increased as determined in the reasonable discretion of the Manager but only to the extent such additional amounts raised are used for the purpose of further entitling and developing the Project in accordance with the development plan reasonably adopted by the Manager.

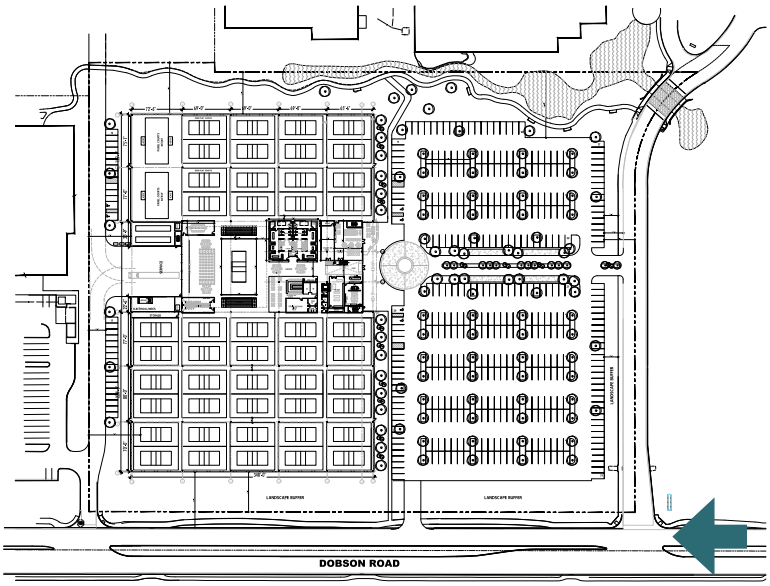
[2] Waterfall shown is for Cash Flow from Operations only. Please see Private Placement Memorandum for complete waterfall for Cash Flow from Operations and Cash Flow from Sale or Refinance.

This Offering is for Class B Units as an equity investment in the Pickleball at Riverwalk Opportunity Zone Fund, LLC investment.

Class B Units will accrue 6% annulalized, non compounding preferred return on their contributed capital. The Class B Units will participate in the profits from cash flow and capital events for the project, subject to the GP promote amount of 30-50%.

The timeline for this investment is expected to be approximately 120 months from the opening of the offering. The Project is expected to begin construction by month 12 and expected to be completed by month 24. Cash flow distributions are expected to be made to investors by month 40 and the construction loan is expected to be taken out with permanent financing by month 46. A sale or recapitalization event in month 120 is the anticipated exit of the investment.

Project Site



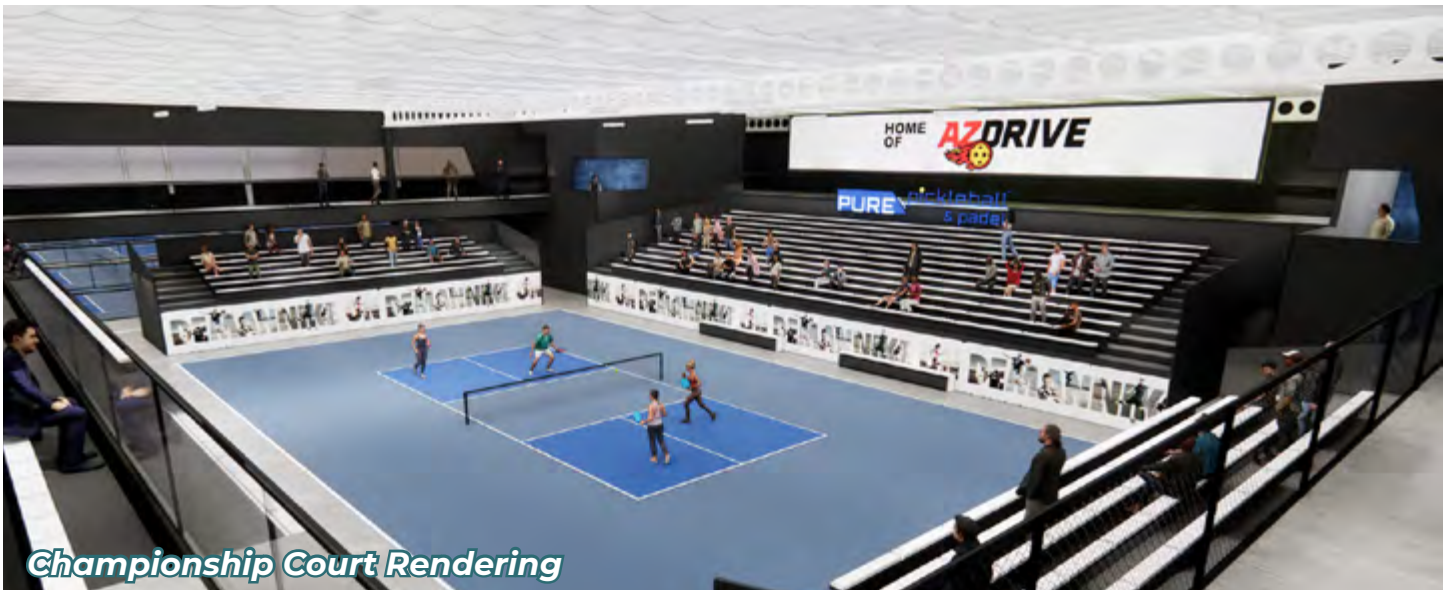
Site Plan

Rooftop Deck Rendering

SECURITIES OFFERED THROUGH HEREUNDER CAN LOSE VALUE, ARE ILLIQUID AND ARE SPECULATIVE. RETURNS ARE NOT GUARANTEED.

Exterior Renderings

Court Renderings



Championship Court Rendering


Courts Rendering

Championship Court Rendering

Project Data

Lobby Rendering

Lobby Rendering

Lobby Rendering

APPENDIX A

Organizational Chart

[See Attached]

PURE Pickleball - Organizational Chart