NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES DESCRIBED IN THIS PRIVATE PLACEMENT MEMORANDUM OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION PROVIDED. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ISSUER IS CONDUCTING TWO SIMULTANEOUS OFFERINGS: ONE TO RESIDENTS OF ARIZONA PURSUANT TO 17 CFR §230.147A and A.R.S. §44-1844(A)(22) AND THE OTHER TO ACCREDITED INVESTORS PURSUANT TO 17 CFR §230.506(c).

SALES IN THE ARIZONA OFFERING WILL BE MADE ONLY TO RESIDENTS OF ARIZONA. OFFERS AND SALES OF THESE SECURITIES ARE MADE UNDER AN EXEMPTION FROM REGISTRATION AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. FOR A PERIOD OF SIX MONTHS FROM THE DATE OF THE SALE BY THE ISSUER OF THE SECURITIES, ANY RESALE OF THE SECURITIES SHALL BE MADE ONLY TO PERSONS RESIDENT WITHIN ARIZONA.

PRIVATE PLACEMENT MEMORANDUM

VENTURE ON 52ND LLC

(An Arizona limited liability company)

$5,500,000

Limited Liability Company Interests

Venture on 52nd LLC
c/o Neighborhood Management, LLC
5227 N. 7th Street
Phoenix, AZ 85014

February 14, 2025

Table of Contents

BASIC INFORMATION ABOUT THE COMPANY

Name of Company	Venture on 52nd LLC
State of Organization	Arizona
Date Company Was Formed	February 11, 2025
Kind of Entity	_____ Corporation __X___ Limited liability company _____ Limited Partnership
Street Address	5227 N 7th Street, Phoenix, AZ 85014
Website Address	www.neighborhood.ventures

KEY PERSONNEL

Jamison Manwaring

All positions with the Company and How Long for Each Position	**Position:** CEO and Managing Partner Neighborhood Ventures Inc.; Manager Neighborhood Management, LLC; Manager the Company.	**How Long:** Since 2017
Business Experience During Last Three Years (Brief Description)	Co-founder, Managing Partner and CEO of Neighborhood Ventures, Inc.	
Principal Occupation During Last Three Years	CEO of a real estate crowdfunding business.	
Has this Person Been Employed by Anyone Else During the Last Three Years?	_____ Yes ___X__ No	
If Yes, List the Name of the Other Employer(s) and its (their) Principal Business	**Name:**	**Business:**

John Kobierowski

All positions with the Company and How Long for Each Position	**Position:** President and Managing Partner of Neighborhood Ventures Inc.; Manager of Neighborhood Management, LLC; Manager of the Company.	**How Long:** Since 2017
Business Experience During Last Three Years (Brief Description)	President & CEO ABI Multifamily	
Principal Occupation During Last Three Years	Real Estate Broker	
Has this Person Been Employed by Anyone Else During the Last Three Years?	___X__ Yes _____ No	
If Yes, List the Name of the Other Employer(s) and its (their) Principal Business	**Name:** ABI Multifamily	**Business:** Real Estate

THE COMPANY'S BUSINESS AND BUSINESS PLAN

The Project

The Company was formed to buy, stabilize, and ultimately sell the multifamily project known as Venture on 52nd located at 5245 E Thomas Road, Phoenix, AZ 85018 (the "Project"). The Project consists of 71 rental units: 12 studio units, 47 one-bedroom units, and 12 two-bedroom units ranging from 400 to 748 square feet. Each unit includes a refrigerator, microwave, and air conditioning. The property features a pool, spa, playground, laundry facility, and barbecue grills for residents.

The Project is currently 91% occupied with an average rent of $1,049. Comparable rents in the area are approximately $1,304, or approximately 24.3% higher. Having paid approximately $155,000 per unit (a total of $11,500,000, the Company believes that through proactive management it can increase rents and sell the Project within three years for approximately $246,000 per unit (a total of $17,500,000).

Financing the Project

The Company expects the cost to buy and stabilize the Project will be approximately $11,500,000. The Company expects to borrow between 50% and 60% of the cost, or between $5,750,000 and $6,900,000, from a bank or other lender. To make up the difference, the Company intends to raise equity capital from five sources:

1) The Company will conduct an offering of its "Class A Shares" under 17 CFR §230.147A and A.R.S. §44-1844(A)(22), also known as the Arizona intrastate crowdfunding statute, in which only Arizona residents may participate (the "Arizona Intrastate Offering").

2) The Company will conduct an offering of its "Class B Shares" under 17 CFR §230.506(c), in which residents of any state may participate as long as they are "accredited investors" within the meaning of 17 CFR §230.501(a) (the "Class B Offering").

3) The Company will also conduct an offering of its "Class C Shares" under 17 CFR §230.506(c), in which residents of any state may participate as long as they are "accredited investors" within the meaning of 17 CFR §230.501(a) (the "Class C Offering").

4) The Funder plans to contribute up to $1,250,000 toward the purchase of the Project and will receive an equity interest denominated as "Class D Shares."

5) The Manager of the Company, Arizona Multifamily Opportunity Fund LLC, will contribute equity capital in exchange for an equity interest denominated as "Class E Shares."

For more information, see "SOURCES AND USES OF FUNDS."

ABOUT THE DEVELOPER

Overview

The Company is managed by Arizona Multifamily Opportunity Fund LLC, an Arizona limited liability company (the "Manager" or the "Fund"). The Fund is managed by Neighborhood Management, LLC, ("Neighborhood Management"), also an Arizona limited liability company. Neighborhood Management is, in turn, managed by Neighborhood Ventures Inc., an Arizona corporation ("Neighborhood Ventures").[1]

The principals and executives of Neighborhood Ventures are John Kobierowski and Jamison Manwaring. Hence, they control the Company.

Jamison Manwaring is Co-founder, Managing Partner, and CEO of Neighborhood Ventures.[2] In 2020 he was selected as Phoenix Business Journal's 40 under 40. Before launching Neighborhood Ventures, he

[1] https://neighborhood.ventures/

[2] https://www.linkedin.com/in/jamison-manwaring-a8188625/

served as the Vice President of Investor Relations at LifeLock and assisted the company in its successful sale to Symantec in February of 2017.

Before working at LifeLock, Jamison was a technology analyst at Goldman Sachs where he participated in over a dozen software IPOs including Tableau, Alarm.com, and LifeLock. Jamison graduated from the University of Utah with a BS in Finance.

John Kobierowski is Co-founder, Managing Partner, and President of Real Estate at Neighborhood Ventures.[3] He also co-founded ABI Multifamily in September 2013. In 2020 he became a contributing member of the Forbes Real Estate Council. John has over 30 years of commercial real estate experience.

Over the course of his career, he has personally closed over 1,400 multifamily transactions, developed over 800 condominium units, and owned over 1,000 apartment units, homes, and condominiums. Prior to founding ABI, he was a founding adviser of Hendricks & Partners (Berkadia).[4] John graduated from Arizona State University with a Bachelor of Science - Liberal Arts with a minor in Business and a concentration in Engineer and Architecture. In addition to being the co-founder of Neighborhood Ventures, and a local executive at ABI Multifamily, he owns The Grid Works co-workspace in Uptown Phoenix.[5]

Past Projects

Neighborhood Ventures was launched in 2017. Since then, it has successfully raised funds for 15 real estate projects using Arizona's intrastate crowdfunding law.

Ten of the offerings reached their maximum offerings goals, ranging from $500,000 to $3.5 million, often selling out before the target date. One of the recent offerings, Venture on 17th, reached its target goal within the first 10 hours. The largest project and first national offering, Venture on Country Club, reached 100% of the maximum goal of $3.5 million.

All of Neighborhood Ventures' projects have been multifamily projects to date, except for Venture on Broadway, which is their first retail project. The projects have ranged in size from 8 to 120 units and one, Venture on 66th, was purchased and operated by Neighborhood Management LLC as Airbnb for a year before it was sold.

[3] https://www.linkedin.com/in/johnkobierowski/

[4] https://www.abimultifamily.com/

[5] https://www.thegrid.works/

Eight projects, Venture on Wilson, Venture on Marlette, Venture on 66th, Venture at Villa Hermosa, Venture on 19th, Venture on Mountain View, Venture on Elden, and Venture on Williams, have completed the full cycle, from raising funds through renovation and stabilization, and have been sold, returning all equity and the full 12% preferred annual return offered to investors. One project, Route 66, is now stabilized and generating cash flow for investors. Six projects, Venture on Central, Venture on 17th, Venture on Broadway, Venture on Country Club, Venture on 36th, and Venture on 12th Place, have stabilized but are not yet generating cash flow for investors.

SOURCES AND USES OF FUNDS

The following table illustrates two possible scenarios for the sources and uses of funds, one where we borrow 50% and the other where we borrow 60%:

Uses	**50% Loan**	**60% Loan**
Purchase Price	$11,000,000	$11,000,000
Closing Costs and Reserves Including but not limited to: Acquisition Fee, Appraisal, Title Escrow Fees, etc.	$500,000	$500,000
Total	$11,500,000	$11,500,000
Sources		
Bank loan	$5,750,000	$6,900,000
Arizona Intrastate Offering	$350,000	$350,000
Class B Offering	$400,000	$400,000
Class C Offering	$3,500,000	$2,600,000
Funder Equity	$1,000,000	$750,000
Contribution by Manager	$500,000	$500,000
Total	$11,500,000	$11,500,000

NOTE: These are only estimates. The actual sources and uses of funds could change.

RISKS OF INVESTING

This investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment.

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 or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document.

The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature.

For a non-exclusive list of risk factors, see Exhibit A: Risks of Investing.

PRICE OF THE SECURITIES

The Class A Shares, the Class B Shares, and the Class C Shares are being offered and sold for $1,000 each. We arrived at that price as follows:

- We estimated how much money we need to buy and stabilize the Project.
- We estimated the value of the Project when completed.
- We estimated the cash flow the Project will generate.
- We estimated what we believe is a fair return to Investors.
- Based on those estimates, we established the manner for sharing profits in our Operating Agreement.

TERMS OF THE SECURITIES

Overview

When you buy Class A Shares, Class B Shares, or Class C Shares, you will become a "member" of the Company, which is an Arizona limited liability company (the owners of an Arizona limited liability company are referred to as members). The Manager, Arizona Multifamily Opportunistic Fund LLC, and the Funder will also be members.

Your ownership will be governed by the Operating Agreement of the Company dated February 14, 2025 and any future amendments to that agreement, which are together referred to as the "Operating Agreement." A copy of the Operating Agreement is attached as Exhibit C: Operating Agreement.

Your Right to Distributions

The Company will distribute its "Distributable Cash" no less often than quarterly. The amount of Distributable Cash will be determined by the Manager, taking into account, among other things, the cash flow from the Project, if any, the net proceeds from the sale or refinancing of the Project, debt service, amounts added to and released from reserve accounts, all of the operating expenses of the Company, and amounts reinvested in the Project.

Distributable Cash will be distributed in the following order of priority:

- First, all Distributable Cash from operational cash flow will be distributed pari passu and *pro rata* to all the members of the Class A, Class B, and Class C Share members of the Company until each member has received a full return of all the money he, she, or it invested with all Preferred Equity Classes being paid out first at the same time. All Distributable Cash from a sale will be distributed pari passu and pro rata among all shares classes until each member has received a full return of all the money he, she, or it invested.
- Second, any remaining Distributable Cash will be divided in five parts as follows with all Preferred Equity Classes being paid out first and pari passu to one another:
    - Calculate the total amount invested in the Company by the Members.
    - The portion of the total amount invested through the Arizona Intrastate Offering (*i.e.*, by members owning Class A Shares), is the "Class A Amount."
    - The portion of the total amount invested through the Class B Offering (*i.e.*, by members owning Class B Shares), is the "Class B Amount."
    - The portion of the total amount invested through the Class C Offering (*i.e.*, by members owning Class C Shares), is the "Class C Amount."
    - The portion of the total amount contributed by the Funder is the "Class D Amount."
    - The portion of the total amount invested by the Manager is the "Class E Amount."
- The Class A Amount will be distributed as follows:
    - First, to Investors owning Class A Shares until each has received an internal rate of return of 12%.
    - Second, to the Common Equity
- The Class B Amount will be distributed as follows:
    - First, to Investors owning Class B Shares until each has received an internal rate of return of 12%.
    - Second, to the Common Equity.
- The Class C Amount will be distributed as follows:
    - First, to Investors owning Class C Shares, *pro rata* based on the number of Class C shares owned, until each Investor has received a preferred internal rate of return of 6% on his, her, or its original investment.
    - Second, 80% to Investors owning Class C Shares *pro rata* based on the number of Class C shares owned, and twenty 20% to the Common Equity, until each Investor owning Class C Shares has achieved an internal rate of return of 15% on their original investment.

    - Third, 50% to Investors owning Class C Shares *pro rata* based on the number of Class C shares owned and 50% to the Common Equity.
- The Class D Amount will be distributed to the Funder.
- The Class E Amount will be distributed to the Fund.

For any year that the Company realizes a taxable profit or gain, the Company will try to distribute at least enough money to you to pay any associated Federal and State income tax liabilities.

Obligation to Contribute Capital

Once you pay for your Class A Shares, Class B Shares, or Class C Shares, you will have no obligation to contribute more money to the Company, and you will not be personally obligated for any debts of the Company. However, under some circumstances you could be required by law to return some or all of a distribution you receive from the Company.

No Voting Rights

Although you will be an owner of the Company, you will generally not have the right to vote or otherwise participate in the management of the Company. Instead, the Manager will control all aspects of the Company's business. For all practical purposes you will be a passive Investor.

Restrictions on Transfer

Class A Shares, Class B Shares, and Class C Shares will be illiquid (meaning you might not be able to sell them) for several reasons:

- The Operating Agreement prohibits the sale or other transfer of Class A Shares, Class B Shares, or Class C Shares without the Manager's consent.
- If you want to sell your Class A Shares, Class B Shares, or Class C Shares the Manager will have the first right of refusal to buy them, which could make it harder to find a buyer.
- Even if a sale were permitted, there is no ready market for Class A Shares, Class B Shares, or Class C Shares, as there would be for a publicly traded stock.
- You may transfer your Class A Shares, Class B Shares, or Class C Shares only if an exemption is available under applicable securities laws.
- If you buy Class A Shares, during the first six months you may transfer them only to another Arizona resident.

As a result, you should plan to hold Class A Shares, Class B Shares, or Class C Shares until the Company is dissolved.

Other Classes of Securities

As of now, the Company has five classes of securities:

1) Class A Shares, which will be owned by Investors in the Arizona Intrastate Offering.
2) Class B Shares, which will be owned by Investors in the Class B Offering.
3) Class C Shares, which will be owned by Investors in the Class C Offering.
4) Class D Shares, which will be owned by the Funder.
5) Class E Shares, which will be owned by the Manager.

The Manager may create new classes of securities (*i.e.*, new classes of ownership interests), however, they cannot have superior rights to Class A Shares, Class B Shares, or Class C Shares. All Investors will be given the chance to buy a *pro rata* portion of any such new securities.

The Person Who Controls the Company

Jamison Manwaring and John Kobierowski own the majority of the interests in the Manager, and the Manager has complete control over the Company. Therefore, Mr. Manwaring and Mr. Kobierowski effectively control the Company.

How the Manager's Exercise of Rights Could Affect You

The Manager has full control over the Company and the actions of the Manager could affect you in several different ways, including these:

- The Manager decides whether and when to sell the Project, which affects when (if ever) you will get your money back. If the Manager sells the Project "too soon," you could miss the opportunity for greater appreciation. If the Manager sells the Project "too late," you could miss a favorable market.
- The Manager decides when to make distributions, and how much. You might want the Manager to distribute more money, but the Manager might decide to keep the money in reserve or invest it in the Project.
- The Manager could decide to hire related persons to perform services for the Company and establish rates of compensation higher than fair market value.
- The Manager could decide to refinance the Project. Refinancing could raise money to distribute, but it could also add risk.
- The Manager decides on the terms of all leases in the Project.
- The Manager decides how much of its own time to invest in the Project.
- The Manager could decide to raise more money from other Investors.

NV REIT LLC and NV REIT Partnership LLC

Neighborhood Management, which is the manager of the Company's Manager, is also the manager and a member of NV REIT LLC ("NV REIT"), a real estate investment trust and a related party. NV REIT owns all the voting interests in NV REIT Partnership LLC ("NV Partnership"), an operating partnership that acquires, holds, operates, and eventually sells real estate properties similar to the Projects for NV REIT. Other investors, including affiliated entities and the Company are expected to transfer appreciated real estate properties in exchange for non-voting interests in NV Partnership.

NV REIT has offered to the public certain non-voting limited liability company interests pursuant to an offering under Regulation A (the "Regulation A Offering") and an Offering Circular dated December 19, 2022 (the "Offering Circular"). The Regulation A Offering was qualified by the Securities Exchange Commission on January 9, 2023. More information related to the Regulation A Offering is contained in the Offering Circular which is available at https://www.sec.gov/edgar/browse/?CIK=1947455.

The Company may sell the Project to NV REIT or exchange the property to NV Partnership provided that (i) the sale is at fair market value, and (ii) the purchase price is paid in cash (iii) The majority of Class Shareholders consent to the transaction. A Transaction shall be deemed approved by the Class Shareholders if the holders of at least seventy-five percent (75%) of the outstanding Class C Shares provide their affirmative consent to such Transaction or fail to respond within fourteen (14) days of receiving written notice requesting their consent. For purposes of this provision, failure to respond within the specified timeframe shall be deemed to constitute consent.

The Company may also contribute the Project to NV Partnership in exchange for "Class A Shares" of NV Partnership. In that case the Company might (i) hold the Class A Shares of NV Partnership for its own account, or (ii) distribute the Class A Shares. Any Investor who receives Class A Shares of NV Partnership will be deemed to have agreed to the terms of the Limited Liability Company Agreement of NV Partnership. (iii) The majority of Class Shareholders consent to the transaction. A Transaction shall be deemed approved by the Class Shareholders if the holders of at least seventy-five percent (75%) of the outstanding Class C Shares provide their affirmative consent to such Transaction or fail to respond within fourteen (14) days of receiving written notice requesting their consent. For purposes of this provision, failure to respond within the specified timeframe shall be deemed to constitute consent.

Copies of the Offering Circular of NV REIT and the Limited Liability Company Agreement of NV Partnership are available upon request.

Risks Associated with Minority Ownership

Owning a minority interest in a Company comes with risks, including these:

- The risk that the person running the Company will do a bad job.
- The risk that the person running the Company will die, become ill, or just quit, leaving the Company in limbo.
- The risk that your interests and the interests of the person running the Company are not really aligned.
- The risk that you will be "stuck" in the Company forever.
- The risks that the actions taken by the person running the Company – including those listed above under "How the Manager's Exercise of Rights Could Affect You" – will not be to your liking or in your interest.

FEES TO MANAGER AND AFFILIATES

The Manager or its affiliates will receive the following fees from the Company:

Fee	Amount
Acquisition Fee	3% of Purchase Price
Annual Asset Management Fee	2% of the total capital raised paid out of the project operating cashflow prior to any distributions.
Disposition Fee	1% of the Closing Price.

ABI Multifamily ("ABI") is an Arizona-based brokerage and advisory firm that focuses on apartment transactions. It acts as one of the buying and selling agents for Neighborhood Ventures' real estate projects and receives a 3-5% commission on the gross sales price of each transaction. John Kobierowski, one of the owners of Neighborhood Management, is the co-founder and Senior Managing Partner at ABI, and therefore has a direct financial interest in ABI. ABI and Neighborhood Ventures are expected to continue this arrangement indefinitely.

Venture Residences, an affiliate of the Manager, will manage and administer the Project. Venture Residences will receive 6.5% of all rental income for these services.

EXHIBIT A: RISKS OF INVESTING

THE PURCHASE OF SECURITIES FROM THE COMPANY IS SPECULATIVE AND INVOLVES SIGNIFICANT RISK, INCLUDING THE RISK THAT YOU WILL LOSE SOME OR ALL OF YOUR MONEY. THIS INVESTMENT IS SUITABLE ONLY FOR INVESTORS WHO FULLY UNDERSTAND AND ARE CAPABLE OF BEARING THE RISKS.

SOME OF THE RISKS ARE DESCRIBED BELOW. THE ORDER IN WHICH THESE RISKS ARE DISCUSSED IS NOT INTENDED TO SUGGEST THAT SOME RISKS ARE MORE IMPORTANT THAN OTHERS.

You Might Lose Some or All of Your Money. When you buy a certificate of deposit from a bank, the Federal government (through the FDIC) guarantees you will get your money back. Buying Class A Shares Class B Shares, or Class C Shares is not like that at all. The ability of the Company to make the distributions you expect, and ultimately to give you your money back, depends on several factors, including some beyond our control. Nobody guarantees that you will receive distributions, and you might lose some or all your money.

Speculative Nature of Real Estate Investing. Real estate can be risky and unpredictable. For example, many experienced, informed people lost money when the real estate market declined in 2007-2008. Time has shown that the real estate market goes down without warning, sometimes resulting in significant losses. Some of the risks of investing in real estate include changing laws, including environmental laws; floods, fires, and other acts of God, some of which may not be insurable; changes in national or local economic conditions; changes in government policies, including changes in interest rates established by the Federal Reserve; and international crises. You should invest in real estate in general, and in the Company in particular, only if you can afford to lose your investment and are willing to live with the ups and downs of the real estate industry.

Higher Interest Rates. Interest rates rose significantly from 2022-3. Rates have fallen since their highs but there is no guaranty that they will not increase again, especially in light of the continuing deficit spending by governments. Historically, higher interest rates are associated with lower real estate values because buyers are unable to afford higher monthly mortgage payments.

We Might Need More Capital. The Company might require more capital, whether to finance cost overruns, to cover cash flow shortfalls, or otherwise. There is no assurance that additional capital will be available at the times or in the amounts needed, or that, if capital is available, it will be available on acceptable terms. For example, if capital is available in the form of a loan, the loan might bear interest at extremely high rates.

Environmental Risks. The Company has conducted basic environmental testing of the Project, which revealed no significant environmental problems. However, the nature of these tests is such that contamination cannot be entirely ruled out even if the test is negative. Under Federal and State laws, a current or previous owner or operator of real estate may be required to remediate any hazardous conditions without regard to whether the owner knew about or caused the contamination. Similarly, the owner of real estate may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination. The cost of investigating and remediating environmental contamination can be substantial, even catastrophic.

The Company Might Raise Money from Affiliates. Affiliates of the Company might purchase Class A Shares, Class B Shares, or Class C Shares along with unrelated investors. While unrelated investors will benefit only if the projects are successful, affiliates could benefit in other ways, including, for example, from the fees paid by the Company to affiliates. Therefore, in evaluating an investment in the Company you should take into account the additional incentives that could motivate affiliates to invest.

The Company Might Borrow More Money. If the Company raises less than it hopes in the form of equity investments, it might make up the difference by borrowing more money, including, possibly, from affiliates. Borrowing more money could increase the returns to investors, if the value of the project increases, but it also increases their risk.

ADA Compliance. The Americans with Disabilities Act of 1990 (the "ADA") requires all public buildings to meet certain standards for accessibility by disabled persons. Complying with the ADA can add considerable time and costs to a project.

Casualty Losses. A fire, hurricane, mold infestation, or other casualties could materially and adversely affect the Project.

Illiquidity of Real Estate. Real estate is not "liquid," meaning it is hard to sell. Thus, the Company might not be able to sell the Project as quickly as it would like or on the terms that it would like.

Risk of Inaccurate Financial Projections. The Company might provide prospective investors with financial projections, based on current information and our current assumptions about future events. Inevitably, some of our assumptions will prove to have been incorrect, and unanticipated events and circumstances may occur. The actual financial results for the Company will be affected by many factors, most of which are outside of our control, including but not limited to those described here. Therefore, there are likely to be differences between projected results and actual results, and the differences could be material (significant), for better or for worse.

Risk of Forward-Looking Statements. The term "forward-looking statements" means any statements, including financial projections, that relate to events or conditions in the future. Often, forward-looking statements include words like "we anticipate," "we believe," "we expect," "we intend," "we plan to," "this might," or "we will." The statement "We believe rents will increase over the next two years" is an example of a forward-looking statement.

Forward-looking statements are, by their nature, subject to uncertainties and assumptions. The statement "We believe rents will increase over the next two years" is not like the statement "We believe the sun will rise in the East tomorrow." It is impossible for us to know exactly what is going to happen in the future, or even to anticipate all the things that could happen. Our business could be subject to many unanticipated events, including all of the things described here.

Consequently, the actual financial results of investing in the Company could and almost certainly will differ from those anticipated or implied in any forward-looking statement, and the differences could be both material and adverse. We do not undertake any obligation to revise, or publicly release the results of any revision to, any forward-looking statements, except as required by applicable law. GIVEN THE RISKS AND UNCERTAINTIES, PLEASE DO NOT PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS.

Property Values Could Decrease. The value of the Project could decline or fail to increase. Factors that could cause the value of real estate to decline include, but are not limited to:

- Changes in interest rates
- Competition from other properties
- Changes in national or local economic conditions
- Changes in zoning
- Environmental contamination or liabilities
- Changes in local market conditions
- Changes in the neighborhood
- Fires, floods, and other casualties
- Uninsured losses
- Undisclosed defects in property
- Incomplete or inaccurate due diligence

Inability to Attract and/or Retain Tenants. The Company will face significant challenges attracting and retaining qualified tenants. These challenges could include:

- Competition from other property owners
- Changes in economic conditions could reduce demand
- Existing tenants might not renew their leases
- The Company might have to make substantial improvements to the property, and/or reduce rent, to remain competitive
- Portions of the property could remain vacant for extended periods
- A tenant could default on its obligations, or go bankrupt, causing an interruption in rental income

Non-Paying Tenants. Some tenants might simply refuse to pay rent. Others might experience financial difficulties that makes it impossible to pay rent. Although we would ultimately have the legal right to evict a non-paying tenant and recover our damages, eviction proceedings can be long and expensive and if the tenant is unable to pay rent it is unlikely we could recover the damages due to us.

Lower-Than-Expected Occupancy Levels and/or Rents. There is no guaranty that the Project will achieve or sustain the occupancy or rent levels anticipated by our financial models. For example, a deterioration in general economic conditions could put downward pressure on rents and occupancy levels in residential properties or prevent us from raising rents in the future.

Incomplete Due Diligence: The Company has performed "due diligence" on the Project, meaning it has sought out and reviewed information about the Project. However, due diligence is as much an art as a science. As a practical matter, it is simply impossible to review all the information about a given piece of real estate and there is no assurance that all the information the Company has reviewed is accurate or complete in all respects. For example, sometimes valuable information is hidden or simply unavailable, or a third party might have an incentive to conceal information or provide inaccurate information, and the Company cannot verify all the information it receives independently. It is also possible that the Company has reached inaccurate conclusions about the information it reviewed.

Subordination to Lenders. The Company's lenders will have a first lien on all the Company's property, including the Project, and the rights of Investors will be subordinate to the rights of the lenders. Should the Company default on any of its loans, the lenders will likely have the right to prohibit further distributions until the default is cured and possibly thereafter. Should a default continue, the lenders will have the right to foreclose and receive, from the proceeds of sale, full repayment of their loans and any associated penalties and costs before anything is distributed to Investors.

Liability for Personal Injury. As the owner of rental real estate, the Company will face significant potential liability for personal injury claims, e.g., "slip and fall" injuries. Although the Company expects to carry insurance against potential liability in amounts we believe are adequate, it is possible that the Company could suffer a liability in excess of its insurance coverage.

Reliance on Management. Under our Operating Agreement, Investors will not have the right to participate in the management of the Company. Instead, Jamison Manwaring will manage all aspects of the Company and its business. Furthermore, if Jamison Manwaring or other key personnel of the issuer were to leave the Company or become unable to work, the Company (and your investment) could suffer substantially. Thus, you should not invest unless you are comfortable relying on the Company's management team. You will never have the right to remove management.

No Market for Shares; Limits on Transferability: There are several obstacles to selling or otherwise transferring your Class A Shares, Class B Shares, or Class C Shares:

- There will be no public market for your Class A Shares Class B Shares, or Class C Shares meaning you could have a challenging time finding a buyer.
- Under the Operating Agreement, the Class A Shares, Class B Shares, or Class C Shares may not be transferred without the Manager's consent, which the Manager may withhold in its sole discretion.
- The Manager has the right to impose conditions on the sale of Class A Shares, Class B Shares, or Class C Shares, and these conditions might not be acceptable to you.
- If you want to sell your Class A Shares, Class B Shares, or Class C Shares, the Manager has a first right of refusal to buy them.
- By law, you may not sell your Class A Shares, Class B Shares, or Class C Shares unless they are registered under applicable securities statutes, or the transfer is eligible for an exemption from registration.

Taking all that into account, you should plan to own your Class A Shares, Class B Shares, or Class C Shares until the Company is dissolved.

Risks of Relying on Third Parties. We will engage third parties to provide some essential services, including construction and construction management. If a third party we retain performs poorly or becomes unable to fulfill its obligations, our business could be disrupted. Disputes between us and our third-party service providers could disrupt our business and may result in litigation or other forms of legal proceedings (*e.g.*, arbitration), which could require us to expend significant time, money, and other resources. We might also be subject to, or become liable for, legal claims by our tenants or other parties relating to work performed by third parties we have contracted with, even if we have sought to limit or disclaim our liability for such claims or have sought to insure the Company against such claims.

Changes In Economic Conditions Could Hurt Our Businesses. Factors like global or national economic recessions, changes in interest rates, changes in credit markets, changes in capital market conditions, declining employment, decreases in real estate values, changes in tax policy, changes in political conditions, and wars and other crises, among other factors, hurt businesses generally and could hurt our business as well. These events are unpredictable.

No Registration Under Securities Laws. Our securities will not be registered with the SEC or the securities regulator of any State. Hence, neither the Company nor the securities will be subject to the same degree of regulation and scrutiny as if they were registered.

Incomplete Offering Information. These offerings do not require us to provide you with all the information that would be required in some other kinds of securities offerings, such as a public offering of shares (for example, publicly traded firms must provide Investors with quarterly and annual financial statements that have been audited by an independent accounting firm). Although we believe you have all the information you need to make an informed decision, it is possible that you would make a different decision if you had more information.

Lack of Ongoing Information. We will provide some information to Investors concerning the Company and the Project. However, this information is far more limited than the information that would be required of a publicly-reporting Company. See the LLC Agreement section 7.3 referencing the ability to access financial information. The manager also intends to send out monthly property updates via email.

Breaches of Security. It is possible that our systems would be "hacked," leading to the theft or disclosure of confidential information you have provided to us. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and are not recognized until they are launched against a target, we and our vendors may be unable to anticipate these techniques or to implement adequate preventative measures.

Uninsured Losses. We might not buy enough insurance to guard against all the risks of our business, whether because it does not know enough about insurance, because we cannot afford adequate insurance, or some combination of the two. Also, there are some kinds of risks that are simply impossible to insure against, at least at a reasonable cost. Therefore, the Company could incur an uninsured loss that could damage our business.

You Might End Up With a Different Investment. You are investing in the Company today but might end up owning Class A Shares of NV REIT Partnership instead, which could have a different investment and risk profile.

Limits on Liability of Company Management. Our Operating Agreement limits the liability of management, making it difficult or impossible for Investors to sue managers successfully if they make mistakes or conduct themselves improperly. You should assume that you will never be able to sue the management of the Company, even if they make decisions, you believe are stupid or incompetent.

Changes in Laws. Changes in laws or regulations, including but not limited to zoning laws, environmental laws, tax laws, consumer protection laws, securities laws, antitrust laws, and health care laws, could adversely affect the Company.

Conflicts of Interest: Conflicts of interest could arise between the Company and Investors. For example:

- It might be in the best interest of Investors if our management team devoted their full time and attention to the Company. However, the Company is only one of the businesses our team will manage.
- It is possible that our Manager will be involved with real estate projects that are competitive with the Project, directly or indirectly.
- You might want the Company to distribute money, while the Company might prefer to reinvest it back into the Project.
- You might wish the Project would be sold so you can make a profit from your investment, while management might want to continue operating the Project.
- The fees to be paid by the Company to the Manager and its affiliates were established by the Manager and were not negotiated at arm's length.

Your Interests Are Not Represented by Our Lawyers. We have lawyers who represent us. These lawyers have drafted our Operating Agreement and Investment Agreement, for example. None of these lawyers represent you personally. If you want your interests to be represented, you will have to hire your own lawyer, at your own cost.

Possible Tax Cost. The Company is a limited liability company and, as such, will be taxed as a partnership, with the result that its taxable income will "flow through" and be reported on the tax returns of the equity owners. It is therefore possible that you will be required to report the taxable income of the Company on your personal tax return, and pay tax on it, even if the Company does not distribute any money to you. To put it differently, your taxable income from a limited liability company is not limited to the distributions you receive.

The Company will not be Subject to the Corporate Governance Requirements of the National Securities Exchange. Any Company whose securities are listed on a national stock exchange (for example, the New York Stock Exchange) is subject to several rules about corporate governance that are intended to protect Investors. For example, the major U.S. stock exchanges require listed companies to have an audit committee made up entirely of independent members of the board of directors (*i.e.*, directors with no material outside relationships with the Company or management), which is responsible for monitoring the Company's compliance with the law. Our Company is not required to implement these and other stockholder protections.

The Investment Agreement Limits Your Rights. The Investment Agreement will limit your rights in several important ways if you believe you have claims against us arising from the purchase of your Class A Shares, Class B Shares, or Class C Shares. In general, your claims would be resolved through arbitration, rather than through the court system. Any such arbitration would be conducted in Phoenix, Arizona, which might not be convenient for you.

- You would not be entitled to a jury trial.
- You would not be entitled to recover any lost profits or special, consequential, or punitive damages.
- If you lose your claim against us, you will be required to pay our expenses, including reasonable attorneys' fees. If you win, we will be required to pay yours.

The Operating Agreement Limits Investor Rights. The Operating Agreement limits your rights in some important respects. For example:

- The Operating Agreement limits your right to obtain information about the Company and to inspect its books and records.
- Disputes under the Operating Agreement will be governed by Arizona law and handled in Arizona courts.
- The Operating Agreement restricts your right to sell or otherwise transfer your Class A Shares, Class B Shares, or Class C Shares.

THESE ARE NOT THE ONLY RISKS OF INVESTING

PLEASE CONSULT WITH YOUR PROFESSIONAL ADVISORS

EXHIBIT B: INVESTMENT AGREEMENT

See Investment Agreement provided.

EXHIBIT C: OPERATING AGREEMENT

See Operating Agreement provided.

EXHIBIT D: SUMMARY OF THE OPERATING AGREEMENT

Overview

The following summarizes some of the most important provisions of the Company's First Amended and Restated Operating Agreement dated February 14, 2025 (the "Operating Agreement"). This summary is qualified in its entirety by the actual Operating Agreement, which is attached as Exhibit C.

Formation and Ownership

The Company was formed in Arizona pursuant to the Arizona Limited Liability Company Act.

In this summary, the owners of the Company are referred to as "Members."

Management

The Company and its business will be managed by the Manager, who has complete discretion over all aspects of the Company's business. For example, the Manager may (i) admit new Members to the Company; (i) sell or refinance the Project; (iii) change the name or characteristics of the Project; (iv) determine the timing and the amount of distributions; and (v) determine the information to be provided to the Members.

Obligation to Contribute Capital

After an Investor pays for his, her, or its Class A Shares, Class B Shares, or Class C Shares, the Investor will not be required to make any further contributions to the Company. However, if an Investor or other Member has received a distribution from the Company wrongfully or by mistake, the Investor might have to pay it back.

Personal Liability

No Investor will be personally liable for any of the debts or obligations of the Company.

Distributions

Distributions from the Company will be made in the manner described in "TERMS OF SECURITIES".

Transfers

No Member may transfer his, her, or its Class A Shares, Class B Shares, or Class C Shares without the consent of the Manager. The only exceptions are for certain transfers to family members.

If an Investor wants to sell his, her, or its, they must first be offered to the Manager.

Death, Disability, Etc.

If an Investor should die or become incapacitated, his, her, or its successors will continue to own the Class A Shares, Class B Shares, or Class C Shares.

Fees to Manager and Affiliates

The Manager and its affiliates will be entitled to certain fees and distributions described in "FEES TO RELATED PARTIES".

Exculpation and Indemnification

The Operating Agreement seeks to protect the Manager from legal claims made by Members. For example, it provides that the Manager (i) will not be liable for any act or omission taken in its good faith business judgment so long as such action or omission does not constitute fraud or willful misconduct; (ii) will not be liable for lost profits or consequential, special, or punitive damages; and (iii) will be indemnified against most claims arising from its position as the Manager.

Rights to Information

Quarterly, within a reasonable period after the close of each fiscal quarter upon request, the Company shall furnish upon request to each Member with respect to such fiscal quarter (i) a statement showing in reasonable detail the computation of the amount distributed under section 4.1, (ii) a balance sheet of the Company, (iii) a statement of income and expenses.

Annually, within a reasonable period after the close of each fiscal year such information from the Company's annual information return as is necessary for the Members to prepare their Federal, state and local income tax returns. The financial statements of the Company need not be audited by an independent certified public accounting firm unless the Manager so elects.

Electronic Delivery

All documents, including all tax-related documents, will be transmitted by the Company to the Members via electronic delivery.

Distributions to Pay Tax Liability

The Company will generally be treated as a "pass-through entity" for Federal and State tax purposes. This means that the income of the Company, if any, will be reported on the personal tax returns of the Members. For any year in which the Company reports taxable income or gains, it will try to distribute at least enough money for the Members to pay their associated tax liabilities.

Amendment

The Manager has broad discretion to amend the Operating Agreement without the consent of Members, including amendments to correct typographical errors; to reflect the admission of additional Members; to change the Company's business plan; and to comply with applicable law. However, without the consent of each affected Member, the Manager may not adopt any amendment that would: (i) require a Member to make additional capital contributions; (ii) impose personal liability on any Member; (iii) change a Member's share of distributions relative to other Members; or (iv) change a Member's share of distributions relative to the Manager. Any amendment that affects Class C Shares shall require the consent of the Manager and External Members holding at least seventy-five percent (75%) of the outstanding Class C Shares.

EXHIBIT E: FEDERAL INCOME TAX CONSEQUENCES

Overview

The following summarizes some of the Federal income tax consequences of acquiring Class A Shares, Class B Shares, or Class C Shares. This summary is based on the Internal Revenue Code (the "Code"), regulations issued by the Internal Revenue Service ("Regulations"), and administrative rulings and court decisions, all as they exist today. The tax laws, and therefore the Federal income tax consequences of acquiring Class A Shares, Class B Shares, or Class C Shares, could change in the future.

This is only a summary, applicable to a generic Investor. Your personal situation could differ. We encourage you to consult with your own tax advisor before investing.

Classification as a Partnership

The Company will be treated as a partnership for Federal income tax purposes. If the Company were treated as a corporation and not as a partnership, the operating profit or gain on sale of a project would generally be subject to two levels of Federal income taxation. This would substantially reduce the economic return to Investors.

Federal Income Taxation of the Company and its Owners

Because it is treated as a partnership, the Company itself will not be subject to Federal income taxes. Instead, each Investor will be required to report on his, her, or its personal Federal income tax return his, her, or its distributive share of the Company's income, gains, losses, deductions, and credits for the taxable year, whether actual distributions of cash or other property are made. Each Investor's distributive share of such items will be determined in accordance with the Operating Agreement.

Deduction of Losses

Each Investor may deduct his, her, or its allocable share of the Company's losses, if any, subject to the basis limitations of Code §704(d), the "at risk" rules of Code §465, and the "passive activity loss" rules of Code §469. Unused losses generally may be carried forward indefinitely. The use of tax losses generated by the Company against other income may not provide a material benefit to Investors who do not have taxable passive income from other passive activities.

20% Deduction for Pass-Through Entities

Because the Company will be treated as a partnership for Federal income tax purposes, Investors might be entitled to deduct up to 20% of the amount of taxable income and gains allocated to them by the Company. Investors should consult with their personal tax advisors concerning the availability of this deduction in their personal tax circumstances.

Tax Basis

Code §704(d) limits an Investor's loss to his, her, or its tax "basis" in his, her, or its Class A Shares, Class B Shares, or Class C Shares. An Investor's tax basis will initially equal his, her, or its capital contribution (*i.e.*, the purchase price for the Class A Shares, Class B Shares, or Class C Shares). Thereafter, the Investor's basis generally will be increased by further capital contributions made by the Investor, his, her, or its allocable share of the Company's taxable and tax-exempt income, and his, her, or its share of certain liabilities of the Company. The Investor's basis generally will be decreased by the amount of any distribution he, she, or it receives, his, her, or its allocable share of the Company's losses and deductions, and any decrease in his, her, or its share of the Company's liabilities.

Limitations of Losses to Amounts at Risk

In the case of certain taxpayers, Code §465 limits the deductibility of losses from certain activities to the amount the taxpayer has "at risk" in the activities. An Investor subject to these rules will not be permitted to deduct his, her, or its allocable share of the Company's losses to the extent the losses exceed the amount the Investor is considered to have at risk in the Company. If an Investor's at-risk amount should fall below zero, he, she, or it would generally be required to "recapture" such amount by reporting additional income. An Investor generally will be considered at risk to the extent of his, her, or its cash contribution (*i.e.*, the purchase price for the Class A Shares, Class B Shares, or Class C Shares), his, her, or its basis in other contributed property, and his, her, or its personal liability for repayments of borrowed amounts. The Investor's amount at risk will generally be increased by further contributions and his, her, or its allocable share of the Company's income, and decreased by distributions he, she, or it receives and his, her, or its allocable share of the Company's losses. With respect to amounts borrowed for investment in the Company, an Investor will not be considered to be at risk even if he, she, or it is personally liable for repayment if the borrowing was from a person who has certain interests in the Company other than an interest as a creditor. In all events, an Investor will not be treated as at risk to the extent his, her, or its investment is protected against loss through guarantees, stop-loss agreements, or other similar arrangements.

Limitations on Losses from Passive Activities

In the case of certain taxpayers, Code §469 generally provides for a disallowance of any loss attributable to "passive activities" to the extent the aggregate losses from all such passive activities exceed the aggregate income of the taxpayer from such passive activities. Losses that are disallowed under these rules for a given tax year may be carried forward to future years to be offset against passive activity income in such future years. Furthermore, upon the disposition of a taxpayer's entire interest in any passive activity, if all gain or loss realized on such disposition is recognized, and such disposition is not to a related party, any loss from such activity that was not previously allowed as a deduction and any loss from the activity for the current year is allowable as a deduction in such year, first against income or gain from the passive activity for the taxable year of disposition, including any gain recognized on the disposition, next against net income or gain for the taxable year from all passive activities and, finally, against any other income or gain.

The Company will be treated as a passive activity to Investors. Hence, Investors generally will not be permitted to deduct their losses from the Company except to the extent they have income from other passive activities. Similarly, tax credits arising from passive activity will be available only to offset tax from passive activity. However, all such losses, to the extent previously disallowed, will generally be deductible in the year an Investor disposes of his, her, or its Class A Shares or Class B Shares in a taxable transaction.

Limitation on Capital Losses

An Investor who is an individual may deduct only $3,000 of net capital losses every year (that is, capital losses that exceed capital gains). Net capital losses of more than $3,000 per year may generally be carried forward indefinitely.

Limitation on Investment Interest

Interest characterized as "investment interest" generally may be deducted only against investment income. Investment interest would include, for example, interest paid by an Investor on a loan that was incurred to purchase Class A Shares, Class B Shares, or Class C Shares and interest paid by the Company to finance investments, while investment income would include dividends and interest but would not generally include long term capital gain. Thus, it is possible that an Investor would not be entitled to deduct all his, her, or its investment interest. Any investment interest that could not be deducted may generally be carried forward indefinitely.

Treatment of Liabilities

When the Company borrows money or otherwise incurs indebtedness, the amount of the liability will be allocated among all the Investors in the manner prescribed by the Regulations. In general (but not for purposes of the "at risk" rules) each Investor will be treated as having contributed cash to the Company equal to his, her, or its allocable share of all such liabilities. Conversely, when an Investor's share of liabilities is decreased (for example, if the Company repays loans or an Investor disposes of his, her, or its Class A Shares, Class B Shares, or Class C Shares) then the Investor will be treated as having received a distribution of cash equal to the amount of such decrease.

Allocations of Profits and Losses

The profits and losses of the Company will be allocated among all the owners of the Company, including Investors, in the manner described in the Operating Agreement. In general, it is intended that profits and losses will be allocated in a manner that corresponds with the distributions each Investor is entitled to receive, *i.e.*, so that tax allocations follow cash distributions. Such allocations will be respected by the IRS if they have "substantial economic effect" within the meaning of Code §704(b). If they do not, the IRS could re-allocate items of income and loss.

Sale or Exchange

In general, the sale of Class A Shares, Class B Shares, or Class C Shares by an Investor will be treated as a sale of a capital asset. The amount of gain from such a sale generally will be equal to the difference between the selling price and the Investor's basis. Such gain will generally be eligible for favorable long-term capital gain treatment if the Class A Shares Class B Shares, or Class C Shares have been held for at least 12 months. However, to the extent any of the sale proceeds are attributable to substantially appreciated inventory items or unrealized receivables, as defined in Code §751, the Investor will recognize ordinary income.

If, as a result of a sale of Class A Shares, Class B Shares, or Class C Shares, an Investor's share of liabilities is reduced, such Investor could recognize a tax liability greater than the amount of cash received in the sale.

Code §6050K requires any Investor who transfers Class A Shares, Class B Shares, or Class C Shares at a time when the Company has unrealized receivables or substantially appreciated inventory items to report such transfer to the Company. For these purposes, "unrealized receivables" includes depreciation subject to "recapture" under Code §1245 or Code §1250. If so notified, the Company must report the identity of the transferor and transferee to the IRS, together with other information described in the Regulations. Failure by an Investor to report a transfer covered by this provision may result in penalties.

A gift of Class A Shares, Class B Shares, or Class C Shares will be taxable if the donor-Investor's share of liabilities is greater than his, her, or its adjusted basis in the gifted Class A Shares, Class B Shares, or Class C Shares. The gift could also give rise to Federal gift tax liability. If the gift is made as a charitable contribution, the donor-Investor is likely to realize gain greater than would be realized with respect to a non-charitable gift, since in general the Investor will not be able to offset the entire amount of his, her, or its adjusted basis in the donated Class A Shares, Class B Shares, or Class C Shares against the amount considered to be realized as a result of the gift (*i.e.*, the Company's debt).

Transfer of Class A Shares, Class B Shares, or Class C Shares by reason of death would not in general be a taxable event, although it is possible that the IRS would treat such a transfer as taxable where the deceased Investor's share of liabilities exceeds his or her pre-death basis in his or her Class A Shares, Class B Shares, or Class C Shares. The deceased Investor's transferee will get a basis in the Class A Shares, Class B Shares, or Class C Shares equal to their fair market value at death (or, in certain circumstances, on the date six (6) months after death), increased by the transferee's share of liabilities. For this purpose, the fair market value will not include the decedent's share of Company taxable income to the extent attributable to the pre-death portion of the taxable year.

Treatment of Distributions

Upon the receipt of any distribution or cash or other property, including a distribution in liquidation of the Company, an Investor generally will recognize income only to the extent that the amount of cash and marketable securities he, she, or it receives exceeds his, her, or its basis in the Class A Shares, Class B

Shares, or Class C Shares. Any such gain generally will be considered as gain from the sale of the Class A Shares, Class B Shares, or Class C Shares.

Alternative Minimum Tax

The Code imposes an alternative minimum tax on individuals and corporations. Certain items of the Company's income and loss may be required to be considered in determining the alternative minimum tax liability of Investors.

Taxable Year

The Company will report its income and losses using the calendar year. In general, each Investor will report his, her, or its share of income and losses for the taxable year of such Investor that includes December 31st; *i.e.*, the calendar year for individuals and other Investors using the calendar year.

Section 754 Election

The Company may, but is not required to, make an election under Code §754 on the sale of Class A Shares, Class B Shares, or Class C Shares or the death of an Investor. The result of such an election is to increase or decrease the tax basis of the Company's assets for purposes of allocations made to the buyer or beneficiary that would, in turn, affect depreciation deductions and gain or loss on sale, among other items.

Unrelated Business Taxable Income for Tax-Exempt Investors

A church, charity, pension fund, or other entity that is otherwise exempt from Federal income tax must nevertheless pay tax on "unrelated business taxable income." In general, interest and gains from the sale of property (other than inventory) are not treated as unrelated business taxable income. However, interest and gains from property that was acquired in whole or in part with the proceeds of indebtedness may be treated as unrelated business taxable income. Because the Company intends to borrow money to acquire the projects and may borrow additional funds in the future, some of the income of the Company could be subject to tax in the hands of tax-exempt entities.

Tax Returns and Tax Information; Audits; Penalties; Interest

The Company will furnish each Investor with the information needed to be included in his, her, or its Federal income tax returns. Each Investor is personally responsible for preparing and filing all personal tax returns that may be required as a result of his, her, or its purchase (or ownership) of Class A Shares, Class B Shares, or Class C Shares. The Company's tax returns will be prepared by accountants selected by the Company.

If the Company's tax returns are audited, it is possible that substantial legal and accounting fees will have to be paid to substantiate the Company's reporting position on its returns and such fees would reduce the cash otherwise distributable to Investors. Such an audit may also result in adjustments to the Company's tax returns, which adjustments, in turn, would require an adjustment to each Investor's personal tax return. An audit of the Company's tax returns may also result in an audit of non-Company items on each Investor's personal tax returns, which could result in adjustments to such items. The Company is not obligated to contest adjustments proposed by the IRS.

Each Investor must either report Company items on his, her, or its tax return consistent with the treatment of the Company's information return or file a statement with his, her, or its tax return identifying and explaining the inconsistency. Otherwise, the IRS may treat such inconsistency as a computational error and re-compute and assess the tax without the usual procedural protection applicable to Federal income tax deficiency proceedings.

The Manager will generally control all proceedings with the IRS.

The Code imposes interest and a variety of potential penalties on underpayments of tax.

Other Tax Consequences

The foregoing discussion addresses only selected issues involving Federal income taxes and does not address the impact of other taxes on an investment in the Company, including Federal estate, gift, or generation-skipping taxes, or State and local income or inheritance taxes. Further, the foregoing discussion does not address U.S. tax issues applicable to non-U.S. investors. Prospective Investors should consult their own tax advisors with respect to such matters.