GINKGO GP FUND II LLC

Class I, Class A1, Class A2
Limited Liability Company Units
5,000 Class I, Class A1 or Class A2 Units at $5,000 per Unit
Minimum Purchase:
200 Class I Units ($1,000,000)
50 Class A1 Units ($250,000)
10 Class A2 Units ($50,000)
Minimum Offering Amount: $2,000,000 (in commitments and/or contributions)
Maximum Offering Amount: $25,000,000 (in commitments and/or contributions)

Ginkgo GP Fund II LLC, a Delaware limited liability company (the "Company"), has been formed for the principal purpose to invest in real estate operating companies (the "JVs") (of which the Company shall serve as either the general partner or manager (in such capacity, the "JV Manager")) that will acquire, own and operate either directly or through joint ventures, diversified workforce multifamily housing (the "Projects") located in North Carolina and South Carolina, which provide the potential to generate income and appreciation through value-added opportunities for the Company. The Company is offering for sale up to 5,000 Class I, Class A1 or Class A2 limited liability company units in the Company (the "Units") at a purchase price of $5,000 per Unit (the "Offering") on the terms and conditions set forth in this Confidential Private Placement Memorandum, including the Exhibits, as may be amended or supplemented (this "Memorandum"). This Memorandum will be supplemented with a "Project Supplement" which will include information regarding any material JVs identified by the Company during the term of the Offering as likely to be acquired by the Company using proceeds of the Offering (the "Offering Proceeds"). The Company generally expects to hold interests in the JVs for approximately 4 to 7 years. The purchasers of the Units will become the members of the Company (the "Members"). Ginkgo Multifamily OP LP, a Delaware limited partnership, will act as the manager of the Company (the "Manager"). **This Memorandum should be read in its entirety before making an investment decision.**

The Offering Proceeds are intended to capitalize the Company with funds, when coupled with proceeds from anticipated loans, to acquire interests in the JVs. The Units are being offered until the earliest of (i) the Maximum Offering Amount is sold, (ii) December 31, 2026 or (iii) a determination by the Company to terminate the Offering (the "Offering Termination Date"). The purchase price for the Class A1 and Class A2 Units is payable in full with the delivery of the investor's Subscription Agreement, a form of which is attached as Exhibit A, while the Class I Units will be subject to a call right for a portion of their investment until fully called. All payments received on account of subscriptions (the "Subscription Payments") for Units prior to receipt and acceptance by the Company of Subscription Payments for the Minimum Offering Amount of $2,000,000 will be held in an escrow account (the "Escrow Account") at Regions Bank (the "Escrow Bank"). If the Minimum Offering Amount has not been sold by May 15, 2026 which date may be extended until June 15, 2026 in the sole discretion of the Company (the "Minimum Offering Termination Date"), the Offering will be terminated and all amounts held in the Escrow Account will be returned to the subscribers.

The principal objectives of the Company are to (i) preserve the Members' capital, (ii) realize income through the acquisition, operation, management and sale of interests in the JVs, (iii) make monthly distributions to the Members, (iv) provide the potential for capital appreciation and (v) acquire interests in JVs that will achieve an overall internal rate of return of approximately 15%, but which will produce a targeted return of 20% for the Company. **There can be no assurance that any of these objectives will be achieved.**

An investment in the Units is speculative and involves substantial risks including, but not limited to, risks associated with no public market existing for the Units; the power of the Company to make distributions from any source, including working capital and Offering Proceeds; investments in real estate; the Company is newly formed with no operating history; lack of liquidity; the impact of inflation and fluctuating interest rates; potential environmental liabilities; operating and financing the JVs and the Projects; limited diversity of investment; the JVs are newly formed and have no experience managing funds and have limited capital; reliance on the Manager to select the JVs and manage the Company; reliance on an Affiliate of the Manager or third parties to manage the JVs; uncertainty as to interests in the JVs and the Projects to be acquired; competition; using leverage to acquire interests in the JVs and the Projects; uncertainty as to the amount and type of leverage used to acquire interests in the JVs and the Projects; lack of any binding financing commitments; substantial fees and distributions payable to the Manager and its Affiliates; the uncertain impact of pandemics; the existence of various conflicts of interest between the Manager and its Affiliates and the Company; and tax risks. See "Risk Factors" and "Conflicts of Interest."

The mailing address of the Company is 200 S College Street, Suite 200, Charlotte, North Carolina, 28202 and the telephone number is (704) 944-2014.

Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission or regulator has approved or disapproved these securities or passed upon the accuracy or adequacy of this Memorandum. 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 of 1933, as amended (the "Securities Act"), and applicable state securities laws, pursuant to registration or exemption therefrom, and the LLC Agreement. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

This Memorandum is dated April 15, 2026

The purchase of Units involves significant risks. This Memorandum should be read in its entirety and the discussion set forth under "Risk Factors" should be carefully considered. This Memorandum contains forward-looking statements that involve risks and uncertainties. The JVs' and the Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed under "Risk Factors."

Risks of an investment in Units include, among others, the following:

1. The Company and the JVs are newly formed with no operating history and limited assets. See "Risk Factors – Risks Relating to the Operation of the Company – New Venture."

2. No public market exists for the Units and it is highly unlikely that any such market will develop. The Units are not freely transferable as a result of substantial restrictions on the transfer of the Units under federal and state securities laws. Further, transfers of the Units are subject to certain limitations, including, but not limited to, the prior consent of the Manager and limitations that may be imposed by lenders of the Projects. Units must be considered solely as long-term investments. In addition, it is anticipated that the loan documents will restrict transfers by the Members, particularly if a prospective investor will acquire or hold a significant percentage of the Units in the Company. See "Risk Factors – Risks Relating to the Offering and Lack of Liquidity – No Public Market for the Units," and "Restrictions on Transferability."

3. The United States recently experienced significant inflation. Inflation may cause, among other things, increased costs of operation of the Company, the JVs and the Projects and the implementation of macroeconomic policies to counteract the effects of inflation, such as the increase in interest rates, which could adversely affect the financial condition and operating results of the Company. See "Risk Factors – Real Estate Risks – Inflation."

4. The Company may make distributions from any source, including working capital, Offering Proceeds and refinancing proceeds. Distributions paid from sources other than current or accumulated earnings and profits may constitute a return of capital. See "Risk Factors – Risks Relating to the Operation of the Company – Sources of Cash Distributions."

5. The Company, the JVs, the Projects and the Company's assets will be managed by the Manager and Ginkgo Residential LLC, a North Carolina limited liability company (the "Property Manager"), an Affiliate of the Manager. The success of the Company and the JVs will depend in large part on the Manager's and the Property Manager's ability to effectively advise the Company and manage the JVs and the Projects. See "Risk Factors – Risks Relating to the Operation of the Company – Reliance on Management" and "Risk Factors – Risks Relating to the Operation of the Company – Property Management."

6. The Company intends to acquire interests in JVs, and the JVs will acquire Projects, that have not yet been identified, which means prospective investors will not have the opportunity to evaluate the JVs or the Projects and must rely solely on the Manager to select the JVs and the JVs to select the Projects. See "Risk Factors – Real Estate Risks – Unspecified Investments."

7. An investor's return may be reduced if the Company is unable to identify and acquire JVs and Projects when, or soon after, the Company is funded. See "Risk Factors – Risks Relating to the Operation of the Company – Potential Adverse Effects of Delays in Investment."

8. There can be no assurance that the investors will realize any return on their purchase of the Units or that the investors will not lose their investments completely. See "Risk Factors – Risks Relating to the Offering and Lack of Liquidity – Speculative Investment."

9. The JVs may acquire the Projects from Affiliates of the Manager. Accordingly, the purchase agreements for such Projects and the terms of such transactions will not be negotiated on a third-party arm's-length basis and may not be on market terms. See "Risk Factors – Real Estate Risks – Affiliated Sellers."

10. Tenant-favorable laws, such as rent control and limits on landlord rights, currently exist and have been proposed by various state and local governments. Any such laws could reduce the ability of the Company and the JVs to receive market rents and operate effectively and could otherwise adversely affect the Company's and the JVs' business, results of operations and financial condition. See "Risk Factors – Real Estate Risks – Tenant-Favorable Legislation."

11. The Company is expected to invest only in JVs that invest in diversified workplace multifamily rental properties and thus, the Company will have limited diversification as to type of property owned. If less than all of the Units are sold by the Offering Termination Date, the number of JVs may be limited and, as a result, the Company's investments may not be geographically diversified. In addition, even if the Maximum Offering Amount is sold, the Company will only have limited diversification as to the JVs it owns. See "Risk Factors – Real Estate Risks – Uncertainty as to the Extent of Diversification."

12. The JVs intend to finance the acquisition of the Projects. The JVs anticipate the loan-to-cost ratio for each JV will not exceed 70% of the purchase price, closing costs and capital expenditure plans of the Projects. The JVs may obtain financing that is less than or exceeds such loan-to-cost ratio in their sole discretion. See "Risk Factors – Financing Risks – Leverage."

13. While it is anticipated that the JVs will obtain financing to acquire the Projects, the JVs have not obtained any financing commitments for the acquisition of any of the Projects. In the event that a JV is unable to obtain financing for the acquisition of a Project, a JV may not be able to acquire a Project. In such case, the return to the Members would be materially reduced. See "Risk Factors – Financing Risks – No Loan Commitments."

14. The JVs will need to obtain loans to acquire the Projects and may need to obtain additional loans to finance their internal operations as well as the operations of the Projects. The JVs have not obtained a commitment for any such financing. Thus, the terms of such financings are unknown. It may be difficult to obtain financing when needed and the terms and conditions under which any financing can be obtained are uncertain and could be unfavorable. See "Risk Factors – Financing Risks – Unknown Loan Terms."

15. Some of the loans obtained by the JVs may have variable interest rates. As a result, the debt service payments on any such loan may increase and the Projects secured by such loan may not generate sufficient cash flow to pay the increasing debt service payments. See "Risk Factors – Financing Risks – Variable Interest Rates and Interest Only Loans."

16. Some of the loans obtained by the JVs may be recourse to a JV, the Company, the Manager and/or certain Affiliates of the Manager. In the event that any Project that is subject to a recourse loan fails to perform as expected, the JV may not have adequate cash to make payments due on the loan. If the Company defaults on a recourse loan, in addition to foreclosing on the applicable Project, the lender may seek repayment of all or a portion of the loan amount from other assets of the Company, which would adversely affect the performance of the Company. See "Risk Factors – Financing Risks – Recourse Liability."

17. It is anticipated that the loans obtained to acquire the Projects may have short terms and will require the JV to make large balloon payments on the maturity of the loans. If a JV is unable to make the balloon payment by selling the related Project or refinancing the applicable loan for any reason, the ownership of the applicable Project could be jeopardized. See "Risk Factors – Financing Risks – Balloon Payments."

18. The Members will only have limited approval rights regarding the Company and the JVs. Thus, most decisions regarding the management of the Company's affairs and the operation of the JVs will be made exclusively by the Manager. See "Risk Factors – Risks Relating to the Operation of the Company – Reliance on Management."

19. There are risks associated with the operation of rental property, including, but not limited to, vacillations in demand, competition from other properties, risk of loss or damage to the improvements, the ability to maintain or increase lease rates and other risks associated with the ownership of real estate. See "Risk Factors – Real Estate Risks."

20. Pandemics may create instability and disruption in the United States and world economies, which could materially and adversely affect the financial performance and the overall value of the Company. See "Risk Factors – Real Estate Risks – Potential Effect of Pandemics."

21. The military actions taking place in Ukraine and the Middle East have significantly elevated geopolitical and military tensions worldwide. Such geopolitical and military tensions could seriously and adversely affect the Company's business, results of operations, financial condition, cash flow and the return to Members. See "Risk Factors – Real Estate Risks – Global Conflicts."

22. It is likely that the sellers of the Projects will only provide limited or no representations and warranties regarding, among others, the condition of the Projects and environmental matters at the Projects. See "Risk Factors – Real Estate Risks – Limited Representations and Warranties" and "Risk Factors – Real Estate Risks – Environmental Liability."

23. The JVs do not intend to obtain audited historical results of operations for the Projects in connection with their review of the acquisition of Projects and will rely only on unaudited financial information provided by the sellers of the Projects. Consequently, there is less certainty regarding the prior economic operating history of the Projects. See "Risk Factors – Real Estate Risks – Unaudited Results of Operations."

24. The JVs intend to rehabilitate some of the Projects. There can be no assurance that the rehabilitation of the Projects will result in higher rental rates or an increased fair market value of the Projects. See "Risk Factors – Rehabilitation Risks – Rehabilitation of the Projects."

25. If the Company generates taxable income, such income will be considered unrelated business taxable income. See "Risk Factors – Federal Income Tax Risks – Unrelated Business Taxable Income."

26. The Manager and its Affiliates will be subject to certain conflicts of interest and will receive substantial compensation in connection with the Offering. See "Conflicts of Interest" and "Compensation to the Manager and its Affiliates."

27. The Manager and its Affiliates may acquire any number of Units for any reason deemed appropriate by the Manager; provided, however, that the Manager will not purchase more than 25% of the Units. In addition, the Manager will not acquire any Units until the Minimum Offering Amount has been raised by the Company. The purchase of Units by the Manager or its Affiliates could create certain risks. See "Conflicts of Interest" and "Risk Factors – Risks Relating to the Offering and Lack of Liquidity – Purchase of Units by the Manager or its Affiliates."

The purchase of Units is suitable only for Accredited Investors who have no need for liquidity in their investment. See "Who May Invest." Prospective investors should carefully consider the following before investing:

1. The contents of this Memorandum are not to be construed as legal or tax advice. Prospective investors should consult their own counsel, accountant or business advisor as to legal, tax and related matters concerning their investment.

2. The Units may be offered and sold only to prospective investors who meet the Investor Suitability Requirements set forth under "Who May Invest" in this Memorandum.

3. No person has been authorized by the Company to make any representations or furnish any information with respect to the Company or the Units, other than the representations and information set forth in this Memorandum or other documents or information furnished by the Company upon request as described in this Memorandum. However, authorized representatives of the Company will, if such information is reasonably available, provide additional information that a prospective investor or its representative requests for the purpose of evaluating the merits and risks of the Offering.

4. The Units are being offered until the Offering Termination Date. Notwithstanding the foregoing, in no event will the number of Members holding Units exceed 1,950 as determined under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company may reject a subscription for any reason**.** All Subscription

Payments received from subscribing investors will be held in the Escrow Account, pending receipt and acceptance by the Company of the Minimum Offering Amount. The cash in the Escrow Account will be deposited in a non-interest-bearing account and held until the Initial Closing (the "Initial Closing") or the Offering is terminated. If the Minimum Offering Amount has not been subscribed or the Initial Closing has not occured prior to the Minimum Offering Termination Date, none of the Units will be sold and all funds tendered for the purchase of Units will be refunded in full to each subscriber without deductions or charges.

5. This Memorandum does not constitute an offer or solicitation to anyone in any jurisdiction in which such an offer or solicitation is not authorized. In addition, this Memorandum constitutes an offer only if the name of an offeree in the Company's records matches the copy number that appears in the appropriate space on the first page of this cover page and is an offer only to such offeree.

6. This Memorandum has been prepared solely for the benefit of persons interested in the proposed private placement of the Units offered hereby, and any reproduction or distribution of this Memorandum, in whole or in part, or the disclosure of any of its contents without the prior written consent of the Manager, is prohibited. By accepting delivery of this Memorandum, each prospective investor agrees to return this Memorandum and all documents furnished herewith to the Manager or its representatives upon request if such prospective investor does not purchase any Units or if the Offering is withdrawn or terminated.

7. Subscriptions may be accepted or rejected by the Company at any time within 30 days after the prospective investor delivers to the Company its Subscription Agreement. The Company may reject a prospective investor's Subscription Agreement for any reason. Subscription Agreements will be rejected for failure to conform to the requirements of the Offering or such other reasons as the Company may determine to be in the best interests of the Company. Subscription Agreements may not be revoked, canceled or terminated by prospective investors, except as therein provided.

8. The Offering is made exclusively by this Memorandum. This Memorandum contains a summary of certain provisions of the LLC Agreement, but only the LLC Agreement contains complete information concerning the rights and obligations of the parties thereto. This Memorandum contains summaries of certain other documents, which summaries are believed to be accurate, but reference is hereby made to the actual documents for complete information concerning the rights and obligations of the parties thereto. Such information necessarily incorporates significant assumptions, as well as factual matters. All documents relating to this investment and any related documents and agreements will be made available to prospective investors or their advisors upon request to the Company.

9. During the course of the Offering and prior to sale, prospective investors are invited to ask questions of and obtain additional information from the Company concerning the terms and conditions of the Offering, the Company, the Manager and their Affiliates, the Units and any other relevant matters, including, but not limited to, additional information to verify the accuracy of the information set forth in this Memorandum. The Company will provide such information to the extent it possesses it or can acquire it without unreasonable effort or expense.

10. The Units are being offered by the Company subject to (i) the prior sale of the Units, (ii) the receipt and acceptance by the Company of the relevant Subscription Agreement, (iii) the right of the Company to reject any Subscription Agreement in whole or in part, (iv) the withdrawal, cancellation or modification of the Offering without notice to prospective investors and (v) certain other conditions.

11. Because the Units are not registered under the Securities Act or the securities laws of any state, investors must hold them indefinitely unless they are registered or qualified under the Securities Act and any applicable state securities laws or unless an exemption from such registration and qualification is available. No public market exists for the Units, and it is highly unlikely that any such market will develop. The LLC Agreement also contains significant restrictions on the sale, transfer or other disposition of the Units by an investor.

12. The price per Unit has been arbitrarily determined and is not the result of an arm's-length negotiation.

13. The fiduciary of a plan subject to the Employee Retirement Income Security Act of 1974 as amended ("ERISA") or subject to the Internal Revenue Code of 1986, as amended (the "Code") Section 4975 should consider

the applicable limitations imposed by ERISA, Code Section 4975 and other federal, state, local, non-United States or other rules and regulations that are similar to the provisions of ERISA and Code Section 4975. See "Material Federal Income Tax Considerations – Investment by Qualified Plans, IRAs and Tax-Exempt Entities – Unrelated Business Taxable Income" and "ERISA and Other Benefit Plan Considerations."

14. The Company will maintain a list of states where the Units may be offered and sold.

The securities offered hereby have not been registered under the Securities Act or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and such laws. The securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under said act and such laws pursuant to registration or exemption therefrom. In addition, certain disclosure requirements which would have been applicable if the Units were registered are not required to be met and neither the Securities and Exchange Commission nor any other federal or state agency has passed upon the merits of or given their approval to the securities, the terms of the Offering or the accuracy or completeness of any offering materials. The Units are being sold only to persons who are Accredited Investors as defined under Regulation D under the Securities Act.

In making an investment decision, prospective investors must rely on their own examination of the person or entity creating the securities 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.

The Securities Act and the securities laws of certain jurisdictions grant purchasers of securities sold in violation of the registration or qualification provisions of such laws the right to rescind their purchase of such securities and to receive back their consideration paid. The Company believes that the Offering described in this Memorandum is not required to be registered or qualified. Many of these laws granting the right of rescission also provide that suits for such violations must be brought within a specified time, usually 1 year from discovery of facts constituting such violation. Should any investor institute such an action on the theory that the Offering conducted as described herein was required to be registered or qualified, the Company will contend that the contents of this Memorandum constituted notice of the facts constituting such violation.

No person has been authorized to give any information or make any representations other than those set forth in this Memorandum, and, if given or made, such information or representations must not be relied upon as having been given by the Company, the Manager or their Affiliates.

This Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation.

The Offering is being conducted pursuant to Rule 506(b) of Regulation D and is not being conducted pursuant to Rule 506(c) of Regulation D. As a result, no general advertising or general solicitation is permitted

in connection with the sale of the Units. In the event that any such general advertising or general solicitation occurs, the Company may not be able to qualify for an exemption from registration under the Securities Act.

Neither the information contained herein nor any prior, contemporaneous or subsequent communication should be construed as legal or tax advice. Prospective investors should consult their own legal and tax advisors to ascertain the merits and risks of an investment in Units before investing.

NOTICE TO FLORIDA RESIDENTS

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON AN EXEMPTION CONTAINED THEREIN. UNDER FLORIDA LAW, IF SECURITIES ARE SOLD TO FIVE OR MORE FLORIDA RESIDENTS, SUCH INVESTORS WILL HAVE A THREE-DAY RIGHT OF RESCISSION. INVESTORS WHO HAVE EXECUTED A SUBSCRIPTION AGREEMENT MAY ELECT, WITHIN THREE BUSINESS DAYS AFTER THE FIRST TENDER OF CONSIDERATION THEREFORE, TO WITHDRAW THEIR SUBSCRIPTION AGREEMENT AND RECEIVE A FULL REFUND OF ANY MONEY PAID BY THEM. SUCH WITHDRAWAL WILL BE WITHOUT ANY LIABILITY TO ANY PERSON. TO ACCOMPLISH SUCH WITHDRAWAL, THE WITHDRAWING INVESTOR MUST (i) PROVIDE WRITTEN NOTICE TO THE COMPANY INDICATING THE INVESTOR'S DESIRE TO WITHDRAW AND (ii) NOT BE A BANK, A TRUST COMPANY, A SAVINGS INSTITUTION, AN INSURANCE COMPANY, A DEALER, AN INVESTMENT COMPANY, A PENSION OR PROFIT-SHARING TRUST, OR A QUALIFIED INSTITUTIONAL BUYER. THE WRITTEN NOTICE MUST BE SENT AND POSTMARKED PRIOR TO THE END OF THE THIRD BUSINESS DAY AFTER THE FIRST TENDER OF CONSIDERATION FOR THE SECURITIES PURCHASED. NOTICE LETTERS SHOULD BE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND TO EVIDENCE THE TIME WHEN IT IS MAILED. ANY ORAL REQUESTS FOR RESCISSION SHOULD BE ACCOMPANIED BY A REQUEST FOR WRITTEN CONFIRMATION FROM THE COMPANY THAT THE ORAL REQUEST WAS RECEIVED ON A TIMELY BASIS.

NOTICE TO PENNSYLVANIA RESIDENTS

EACH SUBSCRIBER WHO IS A PENNSYLVANIA RESIDENT HAS THE RIGHT TO CANCEL AND WITHDRAW ITS SUBSCRIPTION AGREEMENT AND ITS PURCHASE OF SECURITIES THEREUNDER, UPON WRITTEN NOTICE TO THE COMPANY GIVEN WITHIN TWO BUSINESS DAYS FOLLOWING THE RECEIPT BY THE COMPANY OF ITS EXECUTED SUBSCRIPTION AGREEMENT. ANY LETTER OR TELEGRAM NOTICE SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED SECOND BUSINESS DAY. IF YOU ARE SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME WHEN IT WAS MAILED. IF YOU MAKE THE REQUEST ORALLY, YOU SHOULD ASK FOR WRITTEN CONFIRMATION FROM THE COMPANY THAT YOUR REQUEST HAS BEEN RECEIVED. UPON SUCH CANCELLATION OR WITHDRAWAL, THE SUBSCRIBER WILL HAVE NO OBLIGATION OR DUTY UNDER THE SUBSCRIPTION AGREEMENT TO THE COMPANY OR ANY OTHER PERSON AND WILL BE ENTITLED TO THE FULL RETURN OF ANY AMOUNT PAID BY IT, WITHOUT INTEREST. NEITHER THE PENNSYLVANIA SECURITIES COMMISSION NOR ANY OTHER AGENCY PASSED ON OR ENDORSED THE MERITS OF THE OFFERING, AND ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON.

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WHO MAY INVEST

The offer and sale of the Units are being made in reliance on an exemption from the registration requirements of the Securities Act. Accordingly, distribution of this Memorandum has been strictly limited to prospective investors who meet the requirements and make the representations set forth below. The Company reserves the right to declare any prospective investor ineligible to purchase the Units based on any information that may become known or available to the Company concerning the suitability of such prospective investor or for any other reason.

Investor Suitability Requirements

The purchase of the Units involves substantial risk and is suitable only for persons of substantial financial means who have no need for liquidity in this investment. This investment will be sold only to prospective investors who (i) purchase a minimum of 200 Class I Units for a total purchase price of $1,000,000, 50 Class A1 Units for a total purchase price of $250,000 or 10 Class A2 Units for a total purchase price of $50,000, except that the Company may, in its sole discretion, permit certain investors to purchase fewer Units and (ii) represent in writing that they meet the Investor Suitability Requirements (as defined below) established by the Manager and as may be required under federal or state law. Investors should be able to afford the loss of their entire investment.

As a prospective investor, you must represent in writing that you meet, among others, all of the following requirements (the "Investor Suitability Requirements"):

(a) You have received, read and fully understand this Memorandum. You are basing your decision to invest only on this Memorandum. You have not relied upon any representations made elsewhere or by any other person;

(b) You understand that an investment in the Units is speculative and involves substantial risks and you are fully cognizant of and understand all of the risks relating to a purchase of the Units including, but not limited to, those risks set forth under "Risk Factors" in this 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 such knowledge and experience in financial and business matters that you are capable of evaluating the merits and risks of an investment in the Units and have the ability to protect your own interests in connection with such investment; and

(h) You are an Accredited Investor. An "Accredited Investor" is:

If a natural person (including most revocable grantor trusts), a person that:

(i) has an individual net worth, or joint net worth with his or her spouse or spousal equivalent, in excess of $1,000,000 exclusive of the value of his or her primary residence;

(ii) had an individual income in excess of $200,000, or joint income with his or her spouse or spousal equivalent in excess of $300,000, in each of the 2 most recent years and has a reasonable expectation of reaching the same income level in the current year;

(iii) holds, in good standing, 1 or more professional certifications or designations or credentials from an accredited educational institution that the SEC has designated as qualifying an individual for accredited investor status and which the SEC has posted as qualifying; or

(iv) is a director, executive officer or general partner of the Company.

If other than a natural person, 1 of the following:

(i) a corporation, an organization described in Code Section 501(c)(3), a Massachusetts or similar business trust, a partnership or a limited liability company, not formed for the specific purpose of acquiring Units, with total assets in excess of $5,000,000;

(ii) a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring Units and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of an investment in Units;

(iii) a broker-dealer registered pursuant to section 15 of the Exchange Act;

(iv) an investment company registered under the Investment Company Act of 1940, as amended (the "Investment Company Act") or a business development company as defined in section 2(a)(48) of the Investment Company Act;

(v) an investment adviser registered pursuant to section 203 of the Investment Advisers Act of 1940, as amended (the "Investment Advisers Act") or registered pursuant to the laws of a state;

(vi) an investment adviser relying on the exemption from registering with the SEC under section 203(l) or (m) of the Investment Advisers Act;

(vii) an insurance company as defined in section 2(a)(13) of the Securities Act of 1933, as amended (the "Securities Act");

(viii) a Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958;

(ix) a private business development company as defined in section 202(a)(22) of the Investment Advisers Act;

(x) a bank as defined in section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;

(xi) a Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act;

(xii) an entity, of a type not listed in sections 501(a)(1), (2), (3), (7) or (8) of the Securities Act, not formed for the specific purpose of acquiring Units, owning investments in excess of $5,000,000;

(xiii) a "family office" as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act (a) with assets under management in excess of $5,000,000, (b) that is not formed for the specific purpose of acquiring the securities offered and (c) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment;

(xiv) a "family client" as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act, of a family office meeting the requirements under "family office" above and whose prospective investment in the issuer is directed by such family office as required pursuant to clause (c) in such definition;

(xv) an entity in which all of the equity owners are Accredited Investors;

(xvi) a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000;

(xvii) an employee benefit plan within the meaning of ERISA, if the investment decision is made by a plan fiduciary (as defined in section 3(21) of ERISA), which is either a bank, savings and loan association, insurance company or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors; or

(xviii) a grantor revocable trust where the grantors meet the qualifications under "If a natural person" above.

In addition, the SEC has issued certain no action letters and interpretations in which it deemed certain trusts to be Accredited Investors, such as trusts where the trustee is a bank as defined in section 3(a)(2) of the Securities Act and revocable grantor trusts established by individuals who meet the requirements of clauses (i) or (ii) of the first sentence of this paragraph (h). However, these no-action letters and interpretations are very fact specific and should not be relied upon without close consideration of your unique facts.

For purposes of determining the "net worth" of a natural person, net worth means the excess of total assets at fair market value over total liabilities, except that the value of the principal residence owned by a natural person will be excluded for purposes of determining such natural person's net worth. In addition, for purposes of this definition, the related amount of indebtedness secured by the primary residence up to the primary residence's fair market value may be excluded, except in the event such indebtedness increased in the 60 days preceding the purchase of the Units and was unrelated to the acquisition of the primary residence, then the amount of the increase must be included as a liability in the net worth calculation. Moreover, indebtedness secured by the primary residence in excess of the fair market value of such residence should be considered a liability and deducted from the natural person's net worth.

For purposes of determining the joint "net worth" of natural persons, joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent; assets need not be held jointly to be included in the calculation. Reliance on the joint net worth standard described herein does not require that the securities be purchased jointly.

A "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.

For purposes of determining "investments" for (xii) above, investments is defined in rule 2a51-1(b) under the Investment Company Act.

For purposes of determining whether a natural person is an Accredited Investor, the SEC has posted the following qualifying professional certifications as of the date of this Memorandum: holders in good standing of FINRA Series 7, Series 65, and Series 82 licenses.

The Company will not accept any charitable remainder trust, foreign investor or pension plan as an investor in the Units.

Discretion of the Company

The Investor Suitability Requirements stated above represent minimum suitability requirements, as established by the Company, for investors. Accordingly, the satisfaction of the Investor Suitability Requirements by a prospective investor will not necessarily mean that the Units are a suitable investment for such prospective investor, or that the Company will accept the prospective investor as a subscriber of the Units. Furthermore, the Company may modify such requirements in its sole discretion, and any such modification may raise the suitability requirements for investors.

The written representations made by a prospective investor will be reviewed to determine the suitability of each prospective investor. The Company has the right to refuse a subscription for Units for any reason, including, but

not limited to, if it believes that a prospective investor does not meet the applicable Investor Suitability Requirements, or the Units otherwise constitute an unsuitable investment for such prospective investor.

SUMMARY OF THE OFFERING

The following material is intended to provide selected limited information about the Company, the JVs and the Offering and should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum.

Prospective investors are urged to read this entire Memorandum before investing in the Units. This Memorandum contains forward-looking statements that involve risks and uncertainties. The Projects', the JVs' and the Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed under "Risk Factors."

Securities Offered:	The Company is offering up to 5,000 Class I, Class A1 or Class A2 limited liability company units (the "Units"). The Units will not be evidenced by certificates. The purchase price is $5,000 per Unit. The minimum purchase is 200 Class I Units ($1,000,000), 50 Class A1 Units ($250,000) or 10 Class A2 Units ($50,000) except that the Company may, in its sole discretion, permit certain investors to purchase fewer Units. See "Description of Limited Liability Company Units" and "Summary of the LLC Agreement." The Class I Units, Class A1 Units and Class A2 Units will each pay a 10% Preferred Return. Class I Units will receive an 80% share of Cash From Operations following distribution of Members' accrued but undistributed Preferred Return plus Net Capital Contributions. Class A1 Units will receive a 70% share of Cash From Operations following distribution of Members' accrued but unpaid Preferred Return plus Net Capital Contributions. Class A2 Units will receive a 65% share of Cash From Operations following distribution of Members' accrued but unpaid Preferred Return plus Net Capital Contributions. A purchaser must deliver to the Company the fully executed Subscription Agreement attached as Exhibit A and a check for (x) in the case of a purchaser seeking to acquire Class A1 or Class A2 Units, the full Subscription Payment or (y) in the case of a purchaser seeking to acquire Class I Units, an amount determined by the Manager of not less than 10% of the Subscription Payment. The remainder of the Subscription Payment in respect of Class I Units will be called as and when determined by the Manager in its sole discretion. In the event that a Class I Unitholder fails to fund a capital call issued by the Manager for the remainder of the Subscription Payment by the deadline set forth in such capital call notice, such Class I Unitholder will (i) forfeit 10% of its Class I Units and (ii) no longer be eligible to obtain additional Units, including, for the avoidance of doubt, by making subsequent Subscription Payments.
Company Objectives:	The principal objectives of the Company will be to (i) preserve the Members' capital, (ii) realize income through the acquisition, operation, management and sale of interests in the JVs, (iii) make monthly distributions to the Members, (iv) provide the potential for capital appreciation and (v) acquire interests in JVs that will target an overall internal rate of return of approximately 20% for the Company. There can be no assurance that any of these objectives will be achieved. See "Risk Factors."
Use of Proceeds:	The Offering of the Units as set forth in this Memorandum is being made to capitalize the Company with funds, when coupled with proceeds from anticipated loans, to acquire interests in the JVs and provide for general corporate purposes. See "Estimated Use of Proceeds."

Organization:	The Company was formed on April 9, 2026.
JVs – Description:	The Company intends to use the Offering Proceeds to acquire interests in, and operate, the JVs. The Company's primary strategy will be to identify and acquire Projects which provide a value-added opportunity for the JVs and will provide appreciation in value, income and carried interest. See "Description of the JVs."
JVs – Acquisition:	It is anticipated that the Company will acquire interests in the JVs and the JVs will acquire the Projects pursuant to purchase and sale agreements with unaffiliated sellers. The acquisition structure for interests in the JVs and the Projects is currently unknown, and is likely to vary based on the capitalization of the Project and the composition of the Members. It is anticipated that the Company will acquire the Projects directly or through special purpose entities. The JVs may also acquire Projects currently owned by Affiliates of the Manager, provided that the purchase price for such Projects will not exceed the appraised value as determined by an independent third-party appraiser. When the Manager has identified a material JV to be acquired by the Company during the term of the Offering, this Memorandum will be supplemented with a Project Supplement which will include information regarding the JV and the Project.
Projects – Financing:	The JVs intend to finance the purchase of the Projects with proceeds of the Offering and loans obtained from third-party lenders. The JVs anticipate that the aggregate loan-to-cost ratio for each JV will be targeted not to exceed 70% of the purchase price, closing costs and anticipated capital plans for each of the Projects. The JVs may obtain financing that is less than or exceeds such loan-to-cost ratios in their sole discretion. The JVs have not obtained any financing commitments for any Project.
JVs – Operation:	The Company intends to hold interests in, and manage, the JVs for approximately 4 to 7 years. In the event that a Project is refinanced, sold or otherwise disposed of, within the Investment Period (as defined below) and the funds are distributed to the Company, the Company may reinvest the proceeds in an additional JV or JVs.
Projects – Management:	The Property Manager, an Affiliate of the Manager, will manage the Projects and will receive property management fees in connection with such services. It is possible that, in some cases, the Property Manager may hire local property managers to manage the day-to-day operations at some of the Projects. In such case, any fees paid to the submanager will be paid from the Property Management Fee.
Manager:	Ginkgo Multifamily OP LP, a Delaware limited liability company, is the Manager of the Company. See "The Manager and Its Affiliates."
Members:	The Members of the Company will be the purchasers of the Units offered hereby. Each Member's liability will be limited to the amount of such Member's initial Capital Contribution to the Company (i.e., $5,000 per Unit and including, in some instances, portions returned to such Member), plus undistributed profits. See "Summary of the LLC Agreement."
Term of the Company:	The LLC Agreement provides that the existence of the Company will continue until December 31, 2099, unless sooner terminated in accordance with its terms. However, the Company will have a projected operating life of approximately 8 years.

Investment Period:	It is anticipated that the Company will acquire interests in the JVs during the period beginning on the date the Minimum Offering Amount is released to the Company and ending 2 years after the Offering Termination Date (the "Investment Period"). Upon notice to the Members, the Manager will have the right, in its sole discretion, to terminate the Investment Period prior to its expiration. If a Project is refinanced, sold or otherwise disposed of during the Investment Period by a JV and the funds are distributed to the Company, the Company may reinvest the proceeds in an additional JV or JVs.
Disposition Period:	The Company intends, but is not obligated, to begin disposition of interests in the JVs without reinvestment of the proceeds beginning at the end of the Investment Period and ending on the 5th anniversary of the Offering Termination Date (the "Disposition Period"); provided, however, that the Manager may, in its sole discretion, extend the Disposition Period for 3 additional 1-year periods.
Repurchase of Units	The LLC Agreement provides that under certain circumstances the Company may, in the sole discretion of the Manager and upon the request of a Member, repurchase the Units held by such Member. The purchase price for the Units will be determined in the sole discretion of the Manager. Notwithstanding the above, the purchase price for the repurchased Units will not be more than the fair market value of the Units as determined by the Manager in its sole discretion. Notwithstanding the above, the Company shall not purchase more than 10% in the aggregate of the total Units of the Company per annum reduced by other transfers that do not qualify for the safe harbor under Treasury Regulation Section 1.7704-1(e). Any Units owned by the Manager or its Affiliates may not be repurchased by the Company.
Compensation to the Manager and its Affiliates:	The Manager and its Affiliates are entitled to receive substantial fees, compensation and distributions as follows: (1) The Advisor will be entitled to receive an acquisition fee for each Project acquired by a JV (including Projects acquired from Affiliates) equal to 1% of the gross purchase price of the Project (the "Acquisition Fee"), which will be paid at the closing of the acquisition by the JV acquiring such Project. There may be instances where the total Acquisition Fee paid at a Project closing exceeds 1%, but the Acquisition Fee paid to the Advisor will be limited to 1% of the gross purchase price of that Project. (2) The Advisor will be entitled to receive an annual asset management fee in an amount equal to (i) in respect of Class I Units, 1.00% of Capital Commitments, (ii) in respect of Class A1 Units, 1.25% of their original Capital Contributions and (iii) in respect of Class A2 Units, 1.45% of their original Capital Contributions (the "Asset Management Fee"), which will be paid on a monthly basis.

(3) The Advisor will also be entitled to receive an annual investor services fee in an amount equal to (A) in respect of Class I Units, 0.25%, (B) in respect of Class A1 Units, 0.45% and (C) in respect of Class A2 Units, 0.85% (the "Investor Services Fee"). The Manager, the Advisor or their Affiliates will also be reimbursed for reasonable and necessary expenses incurred by the Manager, the Advisor or their Affiliates in connection with the operation of the Company, other than any overhead expenses and employee salaries and benefits of the Manager or the Advisor.

(4) The Property Manager will be entitled to receive a property management fee for each Project equal to 3% of the gross revenues of the Project (the "Property Management Fee"), which will be paid on a monthly basis by the respective JVs. If the Property Manager engages a third-party sub property manager to manage the day-to-day operations of a Project, the Property Manager will pay any fees to such third-party sub property manager.

(5) The Property Manager or an Affiliate will be entitled to receive a construction management fee equal to 6% of any amount expended for construction, tenant improvement or repair projects with respect to a Project (including related professional services) (the "Construction Management Fee"), which shall be paid by the applicable JV that owns such Project, including any capital expenditure in excess of $10,000, which will be paid beginning in the month that construction begins and continuing until substantial completion of the construction.

(6) The Advisor will receive a disposition fee in an amount equal to 1% of the sales price of a Project (the "Disposition Fee") in connection with a sale, exchange or other disposition of a Project, which will be paid at the closing of such disposition. The Advisor will also be entitled to receive a Disposition Fee for Projects acquired through a joint venture with other entities based on the applicable JV's proportional share of the sales price at the joint venture level.

(7) The Manager will receive the allocation and Distributions from the Company.

See "Compensation to the Manager and its Affiliates." Notwithstanding anything herein to the contrary, the Manager and its Affiliates shall not be entitled to any compensation in respect of Units owned by the Manager or its Affiliates. Allocations of Net Income and Net Loss, and distributions of Cash From Operations shall be adjusted to reflect the prior sentence.

Other Expenses:

The Company will pay directly or reimburse the Manager for all direct or indirect expenses paid or incurred by the Manager in connection with the services it provides to the Company, including, but not limited to, actual due diligence expenses, administration, legal, auditing, consulting, financing, accounting, investor relations, insurance (including directors and officers insurance) and custodian fees and expenses and any taxes, fees or other governmental charges levied against the Company. The Manager will pay, and not be reimbursed for, its own operating overhead expenses incidental to managing the Company, including, but not limited to, rent, utilities, capital equipment, employee salaries and benefits, and other administrative items.

Distributions:	The principal objectives of the Company include the intent to make quarterly Distributions to the Members, which may be funded from Offering Proceeds in the Manager's discretion. The Company intends to begin making Distributions to the Members beginning 45 days after the Initial Closing . Distribution to any Member who has not held its Units for an entire calendar quarter will be calculated based on the number of days in the quarter such Units are held by the Member. There can be no assurance that this objective will be achieved.
Preferred Return:	The Members will be entitled to a 10% cumulative but not compounded annual return on their Net Capital Contributions (the "Preferred Return").
Distributions of Cash From Operations:	Subject to the Manager's discretion to reinvest proceeds during the Investment Period, Cash From Operations will be distributed in the following order of priority: (1) First, 100% to the Members in proportion to their accrued but undistributed Preferred Return, until the Members have been distributed an amount equal to their accrued but undistributed Preferred Return; (2) Second, 100% to the Members in proportion to their Net Capital Contributions until the Members' Net Capital Contributions are reduced to zero; and (3) Thereafter, (x) in respect of the Class I Units, 80% to the Members in proportion to their Class I Units and 20% to the Manager, (y) in respect of the Class A1 Units, 70% to the Members in proportion to their Class A1 Units and 30% to the Manager and (z) in respect of Class A2 Units, 65% to the Members in proportion to their Class A2 Units and 35% to the Manager; provided that, in respect of Units owned by the Manager or its Affiliates, 100% of Cash From Operations shall be distributed to the Members holding such Units.
Ginkgo REIT Investor Cash From Operations Enhancement Plan:	If a Member and immediate family members ("REIT Investors") are investors in the Ginkgo REIT Shares, Ginkgo REIT Units or Ginkgo Multifamily OP LP Common Units ("REIT Units") and on the day of subscription or coterminously with the day of subscription holds: (i) REIT Units representing a net asset value of more than $1,000,000, and such REIT Investors hold Class I Units, the 80% and 20% in clause (3)(x) above shall instead be 85% and 15%, respectively, subject to the terms of this section; (ii) REIT Units representing a net asset value of more than $250,000, and such REIT Investors hold Class A1 Units, the 70% and 30% in clause (3)(y) above shall instead be 75% and 25%, respectively, subject to the terms of this section; and (iii) REIT Units representing a net asset value of more than $100,000, and such REIT Investors hold Class A2 Units, the 65% and 35% in clause (3)(z) above shall instead be 70% and 30%, respectively, subject to the terms of this section. In all cases, to remain eligible for the improved Cash From Operations distribution, a REIT Investor must maintain a REIT Unit count equal to or

greater than that count on the date of such REIT Investor's first subscription to the Company through December 31, 2030.

Tax Distributions to the Manager: Notwithstanding the above, the Company may, at the option of the Manager, make Distributions to the Manager prior to distributing Net Capital Contributions to the Members to the extent such Distributions are needed to pay any income taxes associated with allocations of Net Income to the Manager. Any such Distribution will reduce subsequent Distributions to be made to the Manager.

Tax Distribution Clawback: Notwithstanding the above, upon the sale, exchange or other disposition of the last Project held by a JV, the Manager will contribute to the Company prior tax Distributions it received from the Company to the extent that all Distributions the Manager received from the Company, determined on a cumulative basis, exceed the amount that would have been distributed to the Manager if all Distributions had been made without regard to the tax Distributions. Any excess amounts contributed by the Manager will be distributed in accordance with the provisions set forth under "Distributions of Cash From Operations" above.

Allocation of Net Income: Subject to certain limitations, Net Income will be allocated as follows:

(1) First, to the Members and the Manager in proportion to and to the extent of Net Loss previously allocated to the Members and the Manager for all previous fiscal years in reverse order of priority;

(2) Second, to the Members in proportion to their accrued but unallocated Preferred Return until the Members have been allocated an amount equal to their accrued but unallocated Preferred Return;

(3) Thereafter, (x) in respect of the Class I Units, 80% to the Members in proportion to their outstanding Class I Units and 20% to the Manager, (y) in respect of the Class A1 Units, 70% to the Members in proportion to their outstanding Class A1 Units and 30% to the Manager and (z) in respect of the Class A2 Units, 65% to the Members in proportion to their outstanding Class A2 Units and 35% to the Manager; provided that, in respect of Units owned by the Manager or its Affiliates, 100% of Net Income shall go to the Members holding such Units.

Allocations of Net Income will be adjusted in accordance with the terms of "Ginkgo REIT Investor Cash From Operations Enhancement Plan" above; provided that if any REIT Investor fails to maintain a REIT Unit count equal to or greater than that count on the date of such REIT Investor's first subscription to the Company through December 31, 2030, Net Income will be allocated with respect to such Member in accordance with this section.

Allocation of Net Loss: Subject to certain limitations, Net Loss will be allocated as follows:

(1) First, to the Members and the Manager in proportion to and to the extent of Net Income previously allocated to the Members and the Manager for all previous fiscal years in reverse order of priority; and

(2) Thereafter, 100% to the Members in proportion to their Units, provided that Net Loss will not be allocated to any Member to the extent such allocation would cause such Member to have an Adjusted Capital Account Deficit at the end of a fiscal year.

Minimum Purchase:	A minimum purchase of 200 Class I Units (200 Units at $5,000 per Unit), 50 Class A1 Units (50 Units at $5,000 per Unit) or 10 Units (10 Class A2 Units at $5,000 per Unit) regardless of any adjustments to the Offering price, will be required, except that the Company may permit certain investors to purchase fewer Units, in its sole discretion. The Company may, but is not obligated, to revalue the Units prior to the Offering Termination Date. See "Plan of Distribution."
Subscription Agreement:	Each investor will be required to execute a Subscription Agreement in the form attached as Exhibit A. Subscriptions may be accepted or rejected by the Company at any time within 30 days after the Company receives an investor's Subscription Agreement. Any Subscription Agreement not accepted within 30 days of receipt will be deemed rejected. Prospective investors may not revoke, cancel or terminate their Subscription Agreement, except as provided therein.
Escrow Account:	Cash tendered by investors to the Company in payment for Units will be held in the Escrow Account pending receipt and acceptance by the Company of the Minimum Offering Amount. All cash in the Escrow Account will be deposited in a non-interest-bearing account. If subscriptions for the Minimum Offering Amount are not sold on or before the Minimum Offering Termination Date, investor funds held in the Escrow Account will be returned to the subscribers for the Units. See "Plan of Distribution – Escrow Account."
Transfers	The Company will limit transfers of Units to transfers of not more than 2% of the total Units per year other than transfers for the following: (i) transfers as a result of death or incompetency, (ii) transfers between family members, (iii) transfers pursuant to the Company's repurchase plan (which will permit repurchases of up to 10% of the Units per year other than private transfers under Treasury Regulations Section 1.7704-1(e)), (iv) other transfers that qualify as "private transfers" as set forth in Treasury Regulations Section 1.7704-1(e) or (v) other transfers that will not result in the Company being treated as a publicly traded partnership as determined by the Manager in its sole discretion.
Risk Factors and Conflicts of Interest:	Prospective investors should carefully review the matters discussed under "Risk Factors" and "Conflicts of Interest."
Defined Terms:	Terms having their first letter capitalized in this Memorandum and not defined herein are defined in the LLC Agreement.

RISK FACTORS

The purchase of Units is speculative and involves substantial risk. Prospective investors should read this entire Memorandum before making an investment. Prospective investors should be able to afford the loss of all or a substantial part of their investment. It is impossible to accurately predict the results to an investor of an investment in the Company because of the recent formation of the Company and general uncertainties in the multifamily residential industry. Prospective investors should carefully consider the following risks, and should consult with their own legal, tax and financial advisors with respect thereto.

This Memorandum contains forward-looking statements that involve risks and uncertainties. These statements are only predictions and are not guarantees. Actual events and results of operations could differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements are typically identified by the use of terms such as "may," "will," "should," "expect," "could," "intend," "anticipate," "plan," "estimate," "believe," "potential" or the negative of such terms or other comparable terminology. The forward-looking statements included herein are based upon the Company's current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Although the Company believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, the Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those described below. Any assumptions underlying forward-looking statements could be inaccurate. Prospective purchasers of Units are cautioned not to place undue reliance on any forward-looking statements contained herein. The actual results of the Company may differ significantly from the results discussed in the forward-looking statements.

Real Estate Risks

General Risks of Investment in the JVs. The economic success of an investment in the Company will depend on the operations of the Company and the JVs, which will be subject to those risks typically associated with an investment in real estate. Fluctuations in occupancy rates, rent and operating expenses can adversely affect operating results or render the sale or refinancing of the Projects in which the JVs invest difficult or unattractive. No assurance can be given that certain assumptions as to the future levels of occupancy of the Projects or future costs of operating the Projects will be accurate because such matters will depend on events and factors beyond the control of the Company and the Manager. Such factors include, among others, vacancy rates, financial resources of the tenants, rent levels and sales levels in the areas where the Projects are located, adverse changes in local population trends, market conditions, neighborhood values, local economic and social conditions, supply and demand for property such as the Projects, competition from similar properties, interest rates, real estate tax rates, governmental rules, regulations and fiscal policies, including the effects of inflation and enactment of unfavorable real estate, rent control, environmental or zoning laws, hazardous material laws, uninsured losses and other risks.

Inflation. The United States recently experienced significant inflation. Inflation may cause, among other things, increased costs of operation of the Company, the JVs and the Projects and the implementation of macroeconomic governmental policies to counteract the effects of inflation, such as the increase in interest rates. Historically, high inflation has resulted in an increase in interest rates. In the event interest rates increase it may be more expensive to finance the Projects and may increase the cost of operations of the Company and the JVs.

Unspecified Investments. As of the commencement of the Offering, the Company has not identified any JV to invest in. Thus, investors will not have an opportunity to evaluate for themselves information about the JVs or the Projects, such as operating history, terms of financing and other relevant economic and financial information. Although the Company has established criteria to guide it in acquiring Projects, and interests in JVs, the Manager has broad authority and discretion in making investment decisions. Consequently, investors must exclusively rely on the Manager to make investment decisions. No assurance can be given that the Company will be able to acquire interests in suitable JVs or that the Company's objectives will be achieved.

Uncertainty as to the Extent of Diversification. The total amount actually raised in the Offering and the number of interests in JVs acquired by the Company is uncertain. It is possible that the Company will purchase interests in only 1 or 2 JVs, limiting the diversification of the investments and increasing the risk of loss to investors.

The Company is offering the Units on an "all-or-none minimum, best efforts maximum" basis. Thus, there is no firm commitment for the Maximum Offering Amount. If the maximum number of Units are not sold by the Offering Termination Date, the number of JVs and Projects may be limited and, as a result, the Company's investments may not be well diversified. A limited number of JVs and Projects may place a substantial portion of the funds invested in the same geographical location with the same property-related risks. In that case, a decline in a particular real estate market could substantially and adversely impact the Company and the JVs. Further, the Company has no plans to acquire any properties other than Projects in the JVs. Thus, the Company will only have limited diversification as to the type of property it owns. In the event of an economic recession affecting the economies of the market areas where the Projects are located, or the occurrence of any one of many other adverse circumstances, the performance of the Company and the JVs may be adversely affected. A more diversified investment portfolio would not be impacted to the same extent upon such an occurrence.

Tenant-Favorable Legislation. Tenant-favorable laws, such as rent control and limits on landlord rights, currently exist and have been proposed by various state and local governments. Any such laws could reduce the ability of the Company and the JVs to receive market rents and operate effectively and could otherwise adversely affect the Company's business, results of operations and financial condition.

No Purchase Agreements. The Company is currently in the process of identifying interests in JVs to be acquired by the Company, but has not identified any interests in JVs to be acquired by the Company. As a result, the terms of the purchase agreements, including the specific interests in JVs, to be acquired and the purchase prices of such interests are unknown at this time. There can be no assurance that the Company will be able to enter into purchase contracts for a sufficient number of interests in JVs.

Affiliated Sellers. The Company may acquire Projects from Affiliates of the Manager. Although the purchase price will be based on a third-party appraisal, the purchase agreements for such Projects and the terms of such transactions will not be negotiated on a third-party arm's-length basis and may not be on market terms. Projects acquired from Affiliated sellers will not exceed 25% of the Company's aggregate capital investments.

Environmental Liability. Federal, state and local laws impose liability on a landowner for the release or the otherwise improper presence on the premises of hazardous materials or hazardous substances. This liability is without regard to fault for, or knowledge of, the presence of such materials or substances, subject to certain defenses. A landowner may be held liable for hazardous materials or substances brought onto the property before it acquired title and for hazardous materials or substances that are not discovered until after it sells the property. In addition, a landowner may be held liable for hazardous materials or substances that migrate from the property onto or beneath adjacent sites, as well as hazardous materials or substances from unknown or unidentified sources that may migrate from adjacent sites onto or beneath the property. Similar liability may occur under applicable state law. It is anticipated that the sellers of the Projects will make only limited representations regarding a Project's compliance with such laws. If any hazardous materials or substances are found within the Projects in violation of law at any time, the JVs may be liable for cleanup costs, fines, penalties and other costs and it may have little or no recourse against a seller. This potential liability may continue after a JV sells a Project and may apply to hazardous materials or substances present within the Project before the JV acquired the Project. An innocent landowner defense or bona fide prospective purchaser defense to environmental liability under the Comprehensive Environmental Response, Compensation and Liability Act may be available where a landowner has conducted an appropriate inquiry with respect to potential hazardous materials or substances at the subject property in accordance with good commercial and customary practices. Although the JVs will attempt to obtain environmental site assessments for the Projects prior to acquisition, the JVs may not obtain such information. There can be no assurance that the innocent landowner or bona fide prospective purchaser defense will be available to the JVs in the event that hazardous materials or substances are found at the Projects. Further, a similar defense may not be available under state or local law. If losses arise from hazardous material or substance contamination that cannot be recovered from the responsible parties, the financial viability of the JVs and the Projects may be substantially affected.

Toxic Mold. Litigation and concern about indoor exposure to certain types of toxic molds have been increasing as the public becomes aware that exposure to mold can cause a variety of health effects and symptoms, including allergic reactions, and respiratory problems. Toxic molds can be found almost anywhere; they can grow on virtually any organic substance, as long as moisture and oxygen are present. There are molds that can grow on wood, paper, carpet, food and insulation. When excessive moisture accumulates in buildings or on building materials, mold

growth will often occur, particularly if the moisture problem remains undiscovered or unaddressed. It is impossible to eliminate all molds and mold spores in the indoor environment. In warm or humid climates, the likelihood of toxic mold can be exacerbated by the necessity of indoor air conditioning year round. The difficulty in discovering indoor toxic mold growth could lead to an increased risk of lawsuits by affected persons, and the risk that the cost to remediate toxic mold will exceed the value of a Project. As a result of attempts to exclude investigations, abatement, and damage costs caused by toxic mold growth from certain liability provisions in insurance policies, there is no guarantee that insurance coverage for toxic mold will be available now or in the future.

Illiquidity of Real Estate Investments. The ownership of the JVs and the Projects will be relatively illiquid. Such illiquidity will limit the ability of the Company to vary its portfolio in response to changes in economic or other conditions.

Limited Representations and Warranties. The JVs may acquire real estate from sellers who make only limited or no representations and warranties regarding the condition of such real estate, the status of leases, the presence of hazardous materials or hazardous substances within such real estate, the status of governmental approvals and entitlements for such real estate or other matters adversely affecting such real estate. The JVs may not be able to pursue a claim for damages against such sellers except in limited circumstances. The extent of damages that the JVs and the Company may incur as a result of such matters cannot be predicted but potentially could result in a significant adverse effect on the value of such real estate.

Possible Delays in the Sale or Refinancing of the Projects. The Company anticipates that the Projects will be sold in approximately 4 to 7 years from the time the Projects are acquired. It may not be possible to sell the Projects at such time. It is anticipated that the loan documents may not allow for prepayment except shortly before the maturity date and may require the payment of a yield maintenance penalty or defeasance and the lender's approval of the buyer in order to have a loan assumed. If a Project is not sold prior to the maturity date of the related loan, the JV may have to attempt to refinance the loan. It is possible that the interest rate that may be obtained upon refinancing may be higher than that of the original loan. Fluctuations in the supply of money for such loans affect the availability and cost of loans, and the Company is unable to predict the effects of such fluctuations on the Company. Prevailing market conditions at the time a JV seeks to refinance a loan may make such loans difficult or costly to obtain. Such conditions may also adversely affect cash flow and/or profitability of the JV and the Company.

Real Estate Market and Capitalization Rates. The value of real estate is generally based on capitalization rates. Capitalization rates generally trend with interest rates. Consequently, if interest rates increase, capitalization rates generally increase. If interest rates rise in the future, it is likely that capitalization rates will also rise, and as a result, the value of real estate will decrease as a market adjustment for such increase. If capitalization rates increase, the Projects will likely realize lower sales prices than anticipated, resulting in reduced returns.

Uncertain Economic Conditions. The United States economy is subject to fluctuation, and it is unclear how stable the real estate market will be in the future. As a result, there can be no assurance that the JVs or the Projects will achieve anticipated cash flow levels. Further, recent world events evolving out of increased terrorist activities and geopolitical conflicts, and the political and military responses as well as the potential for cyber attacks, have created an air of uncertainty concerning the security and the stability of the United States economy, including general economic and market conditions, supply chain constraints and interest rate fluctuations. Historically, successful terrorist attacks and geopolitical conflicts have resulted in decreased travel and business to the affected areas, increased security measures and disturbances in financial markets. It is impossible to determine the likelihood of any future terrorist attacks on United States targets or geopolitical conflicts, the nature of any United States response or the social and economic results of such events. In addition, there are increasing incidents of civil unrest and domestic terrorism within the United States that could cause instability in the United States economy. However, any negative change in the general economic conditions in the United States could adversely affect the financial condition and operating results of the Projects and the JVs.

Potential Effect of Pandemics. Pandemics may create considerable instability and disruption in the United States and world economies. The extent to which the Company's results of operations or its overall value will be affected by a pandemic will largely depend on future developments, which are highly uncertain and cannot be accurately predicted, including vaccination rates and virus mutations. As a result of shutdowns, quarantines or actual viral health issues, tenants at the Projects may experience reduced income for a prolonged period of time and may be unable to make their rent payments. The JVs may also be unable to obtain financing for the Projects on satisfactory

terms, or at all. The occurrence of any of the foregoing events or any other related matters could materially and adversely affect the financial performance and the overall value of the Company, and investors could lose all or a substantial portion of their investment in the Company.

Global Conflicts. The military actions taking place in Ukraine and the Middle East have significantly elevated geopolitical and military tensions worldwide. With respect to the conflict in Ukraine, the United States, European Union member states and other countries have imposed economic sanctions on the Russian Federation as well as various related parties and the Russian Federation has imposed retaliatory sanctions. The conflicts in the Middle East are further destabilizing the global economy and geopolitical landscape. As further geopolitical conflicts and economic sanctions continue to evolve, it is increasingly difficult to predict the impact and longevity of these events. Depending on direction and timing, these conflicts may significantly impact the Company and result in adverse changes to, among other things: (i) general economic and market conditions, (ii) supply chain constraints and (iii) interest rates. The foregoing could seriously and adversely affect the Company's business, results of operations, financial condition, cash flow and the return to Members.

Condemnation. The Projects or a portion of the Projects could become subject to an eminent domain or condemnation action. Any such action could have a material adverse effect on the value, marketability and profitability of a Project and/or JVs.

No Guaranteed Cash Flow. There can be no assurance that cash flow or profits will be generated by the Projects and/or JVs.

Uninsured Losses. The JVs intend to maintain insurance coverage against liability for personal injury and property damage, although the JVs do not intend to obtain earthquake, flood or wind insurance unless otherwise required by a lender. There can be no assurance that insurance obtained by the JVs will be sufficient to cover any such liabilities. Furthermore, insurance against certain risks, such as earthquakes, terrorism, toxic mold, wind and/or floods, may be unavailable or available at commercially unreasonable rates or in amounts that are less than the full market value or replacement cost of a Project. In addition, there can be no assurance that particular risks that are currently insurable will continue to be insurable on an economical basis or that the current levels of coverage will continue to be available. If a loss occurs that is partially or completely uninsured, the Company may lose all or part of its investment in the JV. The Company may be liable for any uninsured or underinsured personal injury, death or property damage claims. Liability in such cases may be unlimited but Members will not be personally liable.

Natural Disasters. The Projects may be located in areas in the United States that have increased risk of earthquakes, hurricanes, wildfires, high winds, tornadoes and floods. A hurricane, earthquake, wildfire, tornado or flood could cause structural damage to or destroy a Project. The JVs do not intend to obtain wind, earthquake or flood insurance for the Projects unless required by a lender. It is possible that any such insurance, if obtained, will not be sufficient to pay for damage to any Project.

Competition. The real estate industry is highly competitive. The JVs will compete with other real estate companies and investors, many of which have greater financial resources than the JVs. The success of the Company will depend on the JVs' ability to identify and acquire suitable Projects. There can be no assurance that the JVs will be able to locate suitable Projects. Competition for investments may increase costs and reduce returns on the JVs. In addition, competing properties may be located within the vicinity of the Projects. It is possible that tenants from the Projects will move to existing or new properties in the surrounding area which could cause the financial performance of the Projects to be adversely affected. Competition may also make it difficult to attract new tenants to the Projects. Such competition may result in decreased profits or in losses for the JVs and the Company.

Occupancy and Renewal of Leases. The Company will make its determination regarding the acquisition of interests in a JV based on the JV's Projects' projected occupancy rate and rent levels. However, there can be no assurance that the Projects will continue to be occupied at the projected rents or that renovations to the Projects will result in increased rents. If the tenants of the Projects do not renew or extend their leases, if tenants default under their leases at the Projects, if tenants of the Projects terminate their leases or if the terms of any renewal are less favorable than existing lease terms, the operating results of the Projects and the JVs could be substantially affected. As a result, the Company may not be able to make distributions to the Members at the anticipated levels.

Difficulty Attracting and Retaining Tenants. There can be no assurance that the JVs will be able to maintain the occupancy rates at the Projects. The tenants at any Project may have the right to terminate their leases upon the occurrence of specified events.

Zoning. All improved real estate projects must be built in accordance with applicable zoning regulations, absent an approved variance issued by the applicable governmental authority. It is anticipated that the JVs will obtain a zoning report for potential Projects they may acquire in order to ascertain whether the Project's use and improvements are legally conforming, there are no zoning code violations and the Project is in compliance with the applicable parking and setback requirements. The JVs will invest primarily in older Projects, which are likely to not comply with current zoning regulations, particularly zoning regulations enacted or imposed significantly later than the date a Project was constructed. While these pre-existing nonconformities are generally considered "legally non-conforming," and thus exempt from complying with modern zoning regulations, in the event a Project is damaged or requires significant renovation, regulations in certain jurisdictions could require a non-conforming Project to be rebuilt to satisfy current zoning requirements.

Construction Defects. The JVs may acquire newly constructed Projects. Newly constructed Projects are sometimes subject to construction defects that only reveal themselves over time. If a newly constructed Project should become subject to any construction defect issues, the JVs may not have remedies under state law as well as under any warranties from the contractors that were assigned to the JV for the construction work. If work is required to cure any construction defects, reserves may not be sufficient to pay for such work. Accordingly, the presence of construction defects could adversely affect the financial performance of the Project and the JVs.

Compliance with the Americans with Disabilities Act. Under the Americans with Disabilities Act of 1990 (the "ADA"), public accommodations must meet certain federal requirements related to access and use by disabled persons. Facilities initially occupied after January 26, 1992 must comply with the ADA. When a building is being renovated, the area renovated and the path of travel accessing the renovated area, must comply with the ADA. Further, owners of buildings occupied prior to January 26, 1992 must expend reasonable sums, and must make reasonable efforts, to make practicable or readily achievable modifications to remove barriers, unless the modification would create an undue burden. This means that so long as owners are financially able, they have an ongoing duty to make their property accessible. The definitions of "reasonable," "reasonable efforts," "practicable" or "readily achievable" are site-dependent and vary based on the owner's financial status. The ADA requirements could require removal of access barriers at significant cost and could result in the imposition of fines by the federal government or an award of damages to private litigants. Attorneys' fees may be awarded to a plaintiff claiming ADA violations. State and federal laws in this area are constantly evolving and could evolve to place a greater cost or burden on the JVs. While the JVs will attempt to obtain information with respect to compliance with the ADA prior to investing in a Project, there can be no assurance that ADA violations do not or will not exist at a specific Project. If violations of the ADA do exist, there can be no assurance that there will be funds available to pay for any necessary repairs. Any funds used for ADA compliance will reduce the JVs' and the Company's net income and the amount of funds available for distributions to the Members.

Compliance with the Fair Housing Act and the Fair Housing Amendment Act. The Fair Housing Act of 1988 (Public Law 100-430) (the "FHA") enacted prohibitions against discrimination in housing on the basis of race, color, religion, sex, handicap, familial status or national origin. The FHA also requires reasonable modification of dwellings and reasonable accommodation for the disabled in design and first construction of certain new multifamily dwellings built for first occupancy after March 13, 1991. There can be no assurance that a Project does or will in the future conform to the FHA requirements. Any unknown or future FHA violations on a Project could limit operations and development at the Project.

No Appraisals or Reports. The JVs may, but are not required to, obtain independent third-party appraisals or valuations of a Project, or other reports with respect to a Project, before the Company invests in a JV owning such Project. In special circumstances, such as a JV having an opportunity to acquire a distressed Project, provided that it can close the acquisition on an accelerated timeline, the JV may not have time to obtain an appraisal or other reports. There can be no assurance that a Project's value will exceed its cost or that any sale or other disposition of such Project will result in a profit. Third-party appraisals and other reports may be prepared for lenders, in which case the JV typically will try to obtain a copy of such appraisals and reports for review, as well as reliance letters from the third-party preparers to allow the JV to rely on such appraisals and reports. To the extent the JV does not obtain other reports or reliance letters before investing in a Project, the risk of investing in such JV and/or Project may be increased.

No Audited Results of Operations. The Company is not anticipated to obtain historical results of operations for the JVs or the Projects prior to their acquisition. The Company and the JVs will rely on unaudited financial information provided by the sellers of the Projects. Thus, it is possible that information relied on by the Company or a JV with respect to the acquisition of a Project may not be accurate.

Joint Ventures. The JVs may acquire Projects through joint ventures or other structures with third parties. Though the JVs generally will not enter into any joint venture where they do not retain the decision-making authority for the joint venture, the joint venture partners may nevertheless disagree with the JV's decisions for the Projects. The joint venture partners may resort to litigation or other means if their concerns are not satisfied, which may adversely impact the JVs and the Company. The JVs may also have joint decision-making authority with certain joint venture partners which may have objectives that are different than those of the JV and could, among other issues, result in a deadlock with respect to major decisions.

Owning Only a Portion of a Project. A Project may only be a portion of a larger real estate project, which means that the JVs may not have any control over portions of such real estate project. Changes made to the portions of the real estate project not controlled by the JVs, including a change in appearance, size or operations, could have an adverse impact on the Projects. Furthermore, the real estate project may be subject to certain restrictive easements and covenants, conditions and restrictions ("CC&Rs") which could restrict the use of the applicable Project and place limitations on the manner in which the applicable Project is operated. The CC&Rs may allow tenants occupying space not controlled by the JV to place limitations on the way the JV operates the Project, which could also have an adverse financial impact on the applicable Project.

Regulatory Matters. Future changes in land use and environmental laws and regulations, whether federal, state or local, may impose new restrictions on the development or use, and therefore the value, of real estate. The resale of real estate by the JVs may be adversely affected by such regulations.

Amenities as Potential Liabilities. In addition to the residential buildings, the Projects may be improved with certain amenities including, but not limited to, fitness centers, clubhouses, barbeque and picnic areas, dog parks and swimming pools. Certain claims could arise in the event that a personal injury, death or injury to property should occur in, on, or around any of the Projects' improvements. There can be no assurance that particular risks pertaining to these improvements that currently may be insured will continue to be insurable on an economical basis or that current levels of coverage will continue to be available. The JVs may be liable for any uninsured or underinsured personal injury, death or property damage claims.

Lead-Based Paint. Federal regulations require that all purchasers or lessees of residential real property built prior to January 1, 1978 be notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. It is possible that lead paint could be present at a Project. If lead-based paint is present at a Project, is not properly maintained or is not properly disclosed to the residents, it is possible that residents could make claims against the JVs which could adversely affect the financial performance of the Project and cause the JVs and the Company to lose some or all of its investment.

Age of Projects. Most of the Projects will be in excess of 30 years old. As a result, the remaining useful life for these Projects may be limited. In general, the value of the Projects may decline as the Project's remaining useful life decreases.

Rehabilitation Risks

Rehabilitation Risks. Some of the Projects may be rehabilitated by the JVs. Rehabilitation entails substantial risks, many of which are beyond the control of the JV, including delays, cost overruns, adverse weather conditions, natural disasters, labor shortages or strikes, availability of materials, environmental, zoning, title or other legal matters, changes in government regulations and fluctuations in costs. Many of these examples could cause rehabilitation costs to exceed the anticipated costs. There can be no assurance that the JV will have adequate funds available for the rehabilitation Projects.

Rehabilitation of the Projects. The Projects may be rehabilitated. There can be no assurance that the rehabilitation of the Projects will result in an increase in rental income or value of the Projects.

Value-Add Projects. The JVs may target Projects that will be rehabilitated. It is likely that such Projects will have negative existing conditions upon acquisition, including, but not limited to, such Projects' physical condition, rent levels, occupancy levels and management issues. There can be no assurance that the JVs will be able to rehabilitate such Projects so that they achieve a higher stabilization rate than when acquired.

Due Diligence May Not Reveal Defects. Although the JVs intend to perform due diligence on a Project before it is acquired, there can be no assurance that all defects (including physical defects, title issues and financial issues) will be discovered by the JV. In the event that a significant issue is not discovered with respect to a particular Project, the JV's and the Company's performance may be negatively impacted.

Financing Risks

Leverage. The JVs intend to finance the acquisition of the Projects with proceeds from loans obtained from third-party lenders. Thus, the Projects will be leveraged. The JVs anticipate that the aggregate loan-to-cost ratio for the JVs of not greater than 70% of the purchase price, closing costs and anticipated capital plans for each of the Projects. The JVs may obtain financing that is less than or exceeds such loan-to-cost ratio in their sole discretion. The amount and terms of any future loans are uncertain and will be negotiated by the JVs. No assurance can be given that future cash flow will be sufficient to make the debt service payments on any loans and to cover all operating expenses. If the Projects' revenues are insufficient to pay debt service and operating costs, the JV may be required to seek additional working capital. There can be no assurance that such additional funds will be available. In the event additional funds are not available, the lenders may foreclose on the Projects and the Members could lose their investment. In addition, the degree to which the JVs are leveraged could have an adverse impact on the JVs and the Company, including (i) increased vulnerability to adverse general economic and market conditions, (ii) impaired ability to expand and to respond to increased competition, (iii) impaired ability to obtain additional financing for future working capital, capital expenditures; general corporate or other purposes and (iv) requiring that a significant portion of cash provided by operating activities be used for the payment of debt obligations, thereby reducing funds available for distributions, operations and future business opportunities.

Cash Sweep. The loan documents for the Projects may include the right of the lender to require a cash sweep for all cash flow at a Project after an event of default has occurred under the loan related to such Project, including if the Project fails to meet certain debt service coverage ratios or other financial covenants (which include certain assumptions regarding expenses due, whether or not actually due). During a cash sweep period, the lender will have the right to collect all rental income from the Project subject to the loan and will likely only be required to pay operating expenses that are approved by the lender. As a result, the JV may not have any cash to pay for any expenses not approved by the lender which may include other JV obligations. If the lender imposes a cash sweep, the JV may be required to refinance the related loan or to sell the related Project.

Availability of Financing and Market Conditions. Market fluctuations in real estate loans may affect the availability and cost of loans needed for the acquisition or refinancing of any Projects. Credit availability is currently restricted and there is no assurance that the JVs will be able to obtain the required financing to acquire or refinance the Projects.

No Loan Commitments. While the JVs anticipate that they will obtain financing to acquire the Projects, the JVs have not obtained any financing commitments for the acquisition of any Projects. In the event that the JVs are unable to obtain financing for the acquisition of the Projects, the JVs may not be able to acquire any Projects or may only be able to acquire a limited number of Projects. In such case, the ability of the JVs to pay their obligations could be reduced.

Unknown Loan Terms. The terms of the loans to be obtained or assumed by the JVs to acquire or refinance the Projects will vary and the exact terms are unknown. It is anticipated that the loans may not allow for prepayment until shortly before maturity and that any prepayment may require the payment of a yield maintenance penalty. Consequently, the JVs may not be able to take advantage of favorable changes in interest rates.

Balloon Payments. It is anticipated that the loans obtained to acquire or refinance the Projects may have short terms that will require the JVs to make balloon payments on the maturity of the loans. If the JVs are unable to make a balloon payment or to refinance a loan for any reason or at reasonable cost, the ownership of a Project could be jeopardized.

Variable Interest Rates and Interest Only Loans. It is anticipated that loans obtained by the JVs may have variable interest rates. In the event that the interest rate on any loan increases significantly, the JVs may not have sufficient funds to pay the required interest payments. In such event, the continued ownership of the applicable Project may be threatened. In addition, it is anticipated that some of the loans will only require interest payments. Thus, balloon payments of principal will be due upon maturity. In the event that the Project has not been sold or refinanced before such balloon payment is due, the continued ownership of the applicable Project by the JV will be threatened.

Carve-Outs to Nonrecourse Liability. Although the JVs anticipate obtaining loans for the Projects that will be nonrecourse as to principal and interest, it is possible that lenders may require the JVs to be personally liable for certain carve-outs. It is also anticipated that the JVs will be liable for certain springing recourse events. In circumstances where personal liability attaches, the lender could proceed against the JV's assets. It is possible that the Manager, the Company and/or the JVs could each be responsible for all of the nonrecourse carve-outs or springing recourse events. The Members, however, will not be personally liable for any nonrecourse carve-outs or springing recourse events.

Recourse Liability. Although the JVs anticipate that any loan they obtain to acquire or refinance a Project will be nonrecourse, the JVs have the discretion to obtain recourse loans. In the event the JVs obtain a recourse loan and the related Project fails to perform as expected, the JV may not have adequate cash to make payments due on the loan. If the JV defaults on a recourse loan, in addition to foreclosing on the Project, the lender may seek repayment from other assets of the JV, which would adversely affect the performance of the JV and the Company.

Restrictions on Transfers. It is anticipated that the loans for certain Projects will restrict the ability of the JVs to sell their interests in those Projects. The lenders may also impose restrictions on the transfer of ownership interests in the JVs. Upon violation of the restrictions on transfer or encumbrance, the lender will have the right to declare the entire amount of the loan, including principal, interest, prepayment premiums and other charges, to be immediately due and payable. If the lender declares the loan to be immediately due and payable, the JVs will have the obligation to immediately pay the loan in full, including applicable prepayment charges. If replacement financing is not found or the loan is not immediately paid in full, the lender may invoke its other remedies under the loan, which may include proceeding with a foreclosure that would cause the JV to lose its entire interest in the applicable Project.

Volatility of Credit Markets. In the recent past there has been higher than normal volatility in the credit markets that led to a higher cost of financing and less access to debt. The JVs intend to use leverage to acquire the Projects. Credit volatility may make it more difficult for the JVs to obtain financing to acquire the Projects. As a result, it may be more difficult for the JVs to acquire and finance the Projects. If the JVs are not able to acquire Projects, the projected returns to the Members would be reduced.

Events of Default. It is anticipated that certain actions by the JVs will cause an event of default under the loan documents. Generally it is anticipated that the following items will cause a default under a loan: the failure to make the required payments under the loans, the failure to pay taxes, the failure to maintain insurance, the bankruptcy of an owner of a Project, the filing of an action for partition or the transfer of an interest in the Project without lender's consent. Additional events of default may be applicable for some or all of the loans. If a lender declares a default under a loan for any reason, the lender could foreclose on the applicable Project, resulting in the loss of all or substantial portion of the investment made by the JV and the Company.

Indemnification of Securitization. The JVs will be required to indemnify lenders for any securitization losses incurred by the lender with respect to the loans. The indemnification will include any information that is misleading, including any information contained in the third-party reports obtained by the lender. If the JVs are required to make any payments under such indemnification, it is likely that the JVs will be required to sell the applicable Project.

Risks Relating to the Operation of the Company

New Venture. The Company is newly formed with no history of operations and limited assets. The Company is subject to the risks involved with any speculative new venture. No assurance can be given that the Company will be profitable.

Limited Resources of the Manager. The Manager has limited net worth and limited financial resources to satisfy its obligations as the Manager. A financial reversal for the Manager could adversely affect the ability of the Manager to manage the Company. There can be no assurance that the Manager will have sufficient funds to meet its obligations to the Company, or to otherwise financially support the Company. The Manager has no obligation to advance, invest or loan money to the Company.

Potential Adverse Effects of Delays in Investments. Delays which may take place in the selection and acquisition of the Projects and JVs could adversely affect the return to an investor as a result of corresponding delays in the commencement of distributions to the Members and the reduced amount of such distributions.

Sources of Cash Distributions. The Company is not limited in the sources of cash that may be available for distributions. The Company may make distributions from any source, including working capital, Offering Proceeds and/or refinancing proceeds. Distributions paid from sources other than current or accumulated earnings and profits may constitute a return of capital.

Use of Proceeds to Pay Organization and Offering Expenses. A portion of the Offering Proceeds will be used to pay Organization and Offering Expenses. Thus, the gross amount of the Offering Proceeds will not be available for investment in JVs and Projects. See "Estimated Use of Proceeds."

No Guaranteed Cash Distributions. There can be no assurance that cash distributions will, in fact, be made or, if made, whether those distributions will be made when or in the amounts anticipated. Delays in making cash distributions could result from the inability of the JVs to purchase, rehabilitate, manage or operate their assets profitably.

Use of Proceeds Not Limited. The LLC Agreement provides the Manager with broad authority to invest the Offering Proceeds in various types of assets, including assets that do not meet the investment criteria described in this Memorandum. Thus, the use of Offering Proceeds is not limited and prospective investors must entrust all investment decisions to the Manager.

Additional Working Capital Requirements. The Projects may require additional loans for capital expenditures or operations. The JVs have not received a commitment from any third party to make such future loans, if needed, and there can be no assurance that such loans can be arranged or what the terms of any such borrowings would be. In addition, it is anticipated that the loans obtained to acquire the Projects will restrict the ability of the JVs to obtain secondary financing.

Reliance on Management. All decisions regarding the management of the Company's affairs will be made exclusively by the Manager and not by the Members. Accordingly, investors should not purchase Units unless they are willing to entrust all aspects of management to the Manager or its successor(s), including, but not limited to, the selection of the JVs. Prospective investors must carefully evaluate the personal experience and business performance of the principals of the Manager. See "The Manager and Its Affiliates."

No Fiduciary Duty. The LLC Agreement provides that the Manager will have no fiduciary responsibilities to the Members or the Company. As a result, other than the implied duty of good faith and fair dealing required pursuant to the Delaware Limited Liability Company Act, the Manager will have no duties to the Members or the Company.

Property Management. The Projects will be managed by the Property Manager, an Affiliate of the Manager. In some cases, the Property Manager may engage local property managers to manage the day-to-day operations of the Projects. There can be no assurance that the Property Manager or any sub-property manager will be able to successfully manage the Projects.

Limited Approval Rights Regarding the Projects. Members will only have limited approval rights regarding the management and operation of the Projects. Most decisions regarding the Projects will be made by the Manager without input from the Members.

Members Will be Bound by Decision of Majority Vote. Subject to certain limitations, Members holding a majority of the Units may vote to, among other things, amend the LLC Agreement. Members who do not vote with the majority in interest of the Members will still be bound by the Majority Vote.

Conflicts of Interest. The principals of the Manager and its Affiliates are employed independently of the Company and may engage in other activities. The Manager and its Affiliates are engaged in other activities and intend to continue to engage in such activities in the future, including other real estate ventures. The Manager and its Affiliates and their principals will therefore have conflicts of interest in allocating management time, services and functions among various existing enterprises and future enterprises the Manager and its Affiliates and their principals may organize, as well as other business ventures in which the Manager, its Affiliates and their principals may be or may become involved. The Manager and its Affiliates, however, believe that they will have sufficient staff, consultants, independent contractors and business managers to perform adequately their responsibilities to the Company. See "Conflicts of Interest."

Receipt of Compensation Regardless of Profitability. The Manager and its Affiliates are entitled to receive certain significant fees and other compensation, payments and reimbursements regardless of whether the Company operates at a profit or a loss. In addition, the amount of compensation paid to the Manager and its Affiliates will vary for each JV and Project. See "Compensation to the Manager and its Affiliates."

Sale of the Projects. The proceeds (net of closing costs) realized from the sale of a Project will be distributed among the Members upon the sale of the Project but only after payment of any loans and other obligations relating to the Projects. The ability of a Member to recover all or any portion of the Member's investment will, accordingly, depend on the amount of net proceeds realized from the sale of the Projects and the amount of the obligations. There can be no assurance that the Members will realize gains on the sale of the Projects. The net sales proceeds received by the Company will be dependent on a number of market factors.

Liability of Members. In general, the Members of the Company may be liable for the return of a distribution to the extent that the Member knew at the time of the distribution that after such distribution, the remaining assets of the Company would be insufficient to pay the then outstanding liabilities of the Company (exclusive of liabilities to Members on account of their limited liability company interests and liabilities for which the recourse of creditors is limited to specified property of the limited liability company). Otherwise, Members are generally not liable for the debts and obligations of the Company beyond the amount of the capital contributions they have made or are required to make under the LLC Agreement.

Indemnification; Limitation of Liability of the Manager. The Manager, its owners, Affiliates, officers, directors, partners, managers, employees, agents, assigns, principals, trustees and any officers of the Company, will not be liable for, and will be indemnified and held harmless by the Company for errors of judgment or other acts or omissions, performed or omitted in good faith, not constituting fraud, gross negligence or willful misconduct as a result of certain indemnification provisions in the LLC Agreement. A successful claim for such indemnification would deplete the Company's assets by the amount paid. See "Duties of the Manager."

Potential Data Security Breaches. The Company and the JVs collect and retain information provided by the tenants at the Projects, employees and investors. The Company and the JVs have implemented certain protocols designed to protect the confidentiality of this information and periodically review and improve their security measures; however, these protocols may not prevent unauthorized access to this information. Technology and safeguards in this area are constantly changing and there can be no assurance that the Company or the JVs will be able to maintain sufficient protocols to protect confidential information. Any breach of the Company's or the JVs' data security measures and loss of this information may result in legal liability and costs (including damages and penalties), as well as damage to the Company's or the JVs' reputation, that could materially and adversely affect the Company, including its business and financial performance.

Loss of Uninsured Bank Deposits. The Company's cash, including Subscription Payments held in the Escrow Account, will be held in bank depository accounts. While the FDIC insures deposits up to $250,000 per depositor per insured institution in most cases, the Company may have deposits at financial institutions in excess of the FDIC limits. The failure of any financial institution in which the Company has funds on deposit in excess of the applicable FDIC limits may result in the Company's loss of such excess amounts, which would adversely impact the Company's performance.

Potential Liabilities from Operations. Litigation may occur in the ordinary course of business. The Company intends to maintain adequate general liability insurance to cover such potential litigation which stems from the ordinary course of owning and operating the JVs; however, there can be no assurance that all losses will be covered. If a loss occurs that is partially or completely uninsured, the Company may lose all or part of its investment.

Exemption from Investment Company Act. The Company will likely have more than 100 Members. The Investment Company Act requires that any issuer that is beneficially owned by 100 or more persons and that owns certain securities be registered as required under the Investment Company Act. The Company intends to qualify for an exemption from the Investment Company Act based on the type of assets it owns. The Company anticipates that at least 55% of the Company's assets will consist of direct interests in real estate and at least 25% of the Company's assets (reduced to the extent the Company's investment in direct interests in real estate exceed 55%) will consist of real estate-related assets. Therefore, the Company will not be required to register under the Investment Company Act. It is possible that some of these interests will not qualify as real estate for purposes of the Investment Company Act and, as a result, may impact the ability of the Company to qualify for one or more of the exemptions under the Investment Company Act. If the Company fails to qualify under one of the exemptions or exclusions from the Investment Company Act, the Company will be required to register under the Investment Company Act. Registration under the Investment Company Act is expensive and will impact the profits of the Company and the returns to the investors will likely be significantly reduced.

Exemption from Investment Advisers Act. The Company has not registered as an investment advisor, either federally or under state law, and believes that it is exempt from such requirement. The rules with respect to exemptions from registration as an investment advisor are currently unclear. The Company believes that, because the investments in the Company are primarily in JVs that the Company will control it is not required to register as an investment advisor. However, the Company may be required to register as an investment advisor under state or federal law.

Senior Securities. The Company has the power to issue additional securities having rights, preferences and privileges that are superior to and dilutive of the Units offered in the Offering, including additional common units, preferred units, warrants and options. This could reduce the amount of funds available for distribution from operations and liquidation of the Company to the Members and increases the risk that the Members will not profit from their acquisition of the Units or will lose their investment entirely. If the Company creates and issues additional preferred units or other classes of units with a distribution or other preferences over the Units, payment of any such distribution or other preference would likewise reduce the amount of funds available for the payment of distributions, if any, on the Units. In addition, the issuance of preferred units could also have the effect of delaying, deferring or preventing a change in control of the Company, including an extraordinary transaction (such as a merger, tender offer or sale of all or substantially all of the Company's assets) that might provide a premium price to the Members. Members will not have any preemptive rights with respect to any equity which the Company may issue in the future.

Risks Relating to the Offering and Lack of Liquidity

No Public Market for the Units. There currently is no public trading market for the Company's securities. The Company may never list the Units for trading on a securities exchange. The absence of a public market for the Units could impair an investor's ability to sell its Units at a fair price or at all. In addition, the transfer of the Units will be subject to additional limitations. If an investor is able to sell its Units, it may only be able to sell them at a substantial discount from the price paid. There can be no assurance that the Units will ever appreciate in value. Thus, prospective investors should consider the purchase of Units as illiquid and a long-term investment, and investors must be prepared to hold their Units for an indefinite period of time.

Limited Transferability of the Units. Each investor will be required to represent that such investor is acquiring the Units for investment and not with a view to distribution or resale, that such investor understands the Units are not freely transferable and, in any event, that such investor must bear the economic risk of investment in the Company for an indefinite period of time because the Units have not been registered under the Securities Act or certain applicable state securities laws, and that the Units cannot be sold unless they are subsequently registered or an exemption from such registration is available and unless such investor complies with the other applicable provisions of the LLC Agreement. There will be no market for the Units and a Member cannot expect to be able to liquidate its investment in case of an emergency. The transfer of a Member's Units requires the prior written consent of the Manager. Further, no transfer will be allowed unless the Manager determines that the transfer will not cause the

Company to be "publicly traded." There are no specified circumstances relating to the granting or withholding of the required prior written consent of the Manager, although the Manager will exercise reasonable discretion in determining whether to grant or withhold its consent as to any particular request for a transfer. Lenders may impose additional restrictions on the transferability of the Units.

Limited Repurchase Rights. The ability of Members to request the repurchase of their Units for cash from the Company is limited as to timing, amount and the discretion of the Company. See "Summary of the LLC Agreement – Repurchases of Units."

Speculative Investment. The Units must be considered speculative. No assurance can be given that the Members will realize any return on their purchase of Units or that the Members will not lose their entire investment. Prospective investors should carefully read this Memorandum and consult with their own attorneys or business advisors.

Determination of Unit Price. The purchase price of the Units has been determined primarily by the capital needs of the Company and bears no relationship to any established criteria of value such as book value or earnings per Unit, or any combination thereof. Further, the price of the Units is not based on past earnings of the Company, nor does that price necessarily reflect the current market value of interests in the JVs or the Company.

Offering Not Registered with the SEC or State Securities Authorities. The Offering will not be registered with the SEC under the Securities Act or the securities commission of any state. The Units are being offered in reliance upon an exemption from the registration provisions of the Securities Act and state securities laws applicable only to offers and sales to investors meeting the suitability requirements set forth in this Memorandum.

Private Offering – Lack of Agency Review. The Offering is a nonpublic offering and, is not registered under federal or state securities laws. As a result, prospective investors will not have the benefit of review of this Memorandum by the SEC or any state securities commission. The terms and conditions of the Offering may not comply with the guidelines and regulations established for real estate programs that are required to be registered and qualified with the SEC or any state securities commission.

Private Offering Exemption – Compliance with Requirements. The Units are being offered and sold in reliance on a private offering exemption from registration provided in the Securities Act. If the Company should fail to comply with the requirements of such exemption, the Members would have the right to rescind the purchase of the Units if they so desired. It is possible that 1 or more Members seeking rescission would succeed. This might also occur under applicable state securities laws and regulations in states where the Units will be offered without registration or qualification pursuant to a private offering or other exemption. If a number of Members were successful in seeking rescission, the Company and the Manager would face severe financial demands that would adversely affect the Company as a whole and, thus, the investment in the Units by the remaining Members.

Private Offering Exemption – Limited Information. Because the Offering is a nonpublic offering and the Units are only being sold to Accredited Investors, certain information that would be required if the Offering were not so limited has not been included in this Memorandum, including, but not limited to, audited financial statements and prior performance tables. Thus, prospective investors will not have this information available to review when deciding whether to purchase Units.

No General Solicitation. The Offering is being conducted in reliance on the exemption from registration provided in Rule 506(b) of Regulation D promulgated under the Securities Act and is not being conducted pursuant to Rule 506(c) of Regulation D. As such, a failure to comply with the Rule 506(b) requirements could result in the loss of the exemption from registration.

Prohibition on Bad Actors. The Offering is intended to be made in compliance with Rule 506(b) of Regulation D promulgated under the Securities Act. Regulation D offerings include a prohibition on the participation of certain "bad actors." In the event that a statutory "bad actor" participates in the Offering, the Company may lose its exemption from registration of the Units.

Forward-Looking Statements. Any forward-looking statements included in this Memorandum and all other materials or documents supplied by the Company in connection with the Offering, should be considered

speculative and are qualified in their entirety by the assumptions, information and risks disclosed in this Memorandum. The assumptions and facts on which such forward-looking statements are based are subject to variations that may arise as future events actually occur. There can be no assurance that actual events will correspond with these assumptions. This Memorandum contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ significantly from the results anticipated or discussed in the forward-looking statements. Prospective investors are advised to consult with their tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. Neither the Manager nor any other person or entity makes any representation or warranty as to the future profitability of the Company or an investment in the Units.

Estimates, Opinions and Assumptions. No representation or warranty can be given that the estimates, opinions or assumptions made herein will prove to be accurate. Any such estimates, opinions or assumptions should be considered speculative and are qualified in their entirety by the information and risks disclosed in this Memorandum. The assumptions and facts on which any estimates or opinions herein are based are subject to variations that may arise as future events actually occur. There can be no assurance that actual events will correspond with the assumptions. Prospective investors are advised to consult with their tax, financial and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. Neither the Manager nor any other person or entity makes any representation or warranty as to the future profitability of the Company.

No Representation of the Members. Under the LLC Agreement, each of the Members acknowledges and agrees that counsel representing the Company, the Manager and its Affiliates does not represent and will not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Members in any respect.

Subsequent Investors May be Able to Review the Company's Investments. Investors who invest in the later stages of the Offering will have a greater opportunity to review information regarding the JVs that will not be available to early investors. Early investors will not have an opportunity to review any interests in JVs to be acquired with the Offering Proceeds. In this regard, later investors may have an advantage in deciding whether to invest in the Company.

Changes in Market Value or Income Potential of Assets. If the market value or income potential of the Company's qualifying real estate assets changes as compared to the market value or income potential of the Company's non-qualifying assets, or if the market value or income potential of the Company's assets that are considered "real estate-related assets" under the Investment Company Act changes as compared to the market value or income potential of the Company's assets that are not considered "real estate-related assets" under the Investment Company Act, whether as a result of increased interest rates, prepayment rates or other factors, the Company may need to modify its investment portfolio in order to maintain its exception from the definition of an investment company. If the decline in asset values or income occurs quickly, this may be especially difficult, if not impossible, to accomplish. This difficulty may be exacerbated by the illiquid nature of many of the assets that the Company owns. The Company may have to make investment decisions that it otherwise would not make absent Investment Company Act considerations.

Prior Programs Sponsored by Affiliates of the Manager. The Manager and its Affiliates, sponsored a number of other real estate projects beginning in 2019. Some of the other projects have not met the income and distribution levels anticipated by the Manager. Several of the real estate properties sponsored and managed by the Manager's Affiliates have been foreclosed upon by the lenders for such properties. Investors in these programs lost all or a significant portion of their original investment in the applicable property. See "Prior Performance of the Manager." There can be no assurance the Company will meet the objectives set forth herein.

Purchase of Units by the Manager or its Affiliates. The Manager and its Affiliates may acquire any number of Units; provided, however, that the Manager will not purchase more than 25% of the Units. In addition, the Manager will not acquire any Units until the Minimum Offering Amount has been raised by the Company. The Manager and its Affiliates will not acquire any Units with a view to resell or distribute such Units. Upon the acquisition of Units, the Manager or its Affiliates will have the same rights as other Members in respect of the Units owned by it, including the right to vote on all matters subject to the vote of Members. Should the Manager acquire a Unit, the percentage interest of the Manager in the profits, gains, losses, deductions and credits of the Company will increase as against a corresponding reduction in the interest of the other Members. See "Plan of Distribution." The

purchase of Units by the Manager or its Affiliates could create certain risks including, but not limited to, the following: (i) the Manager or its Affiliates would obtain voting power as Members, (ii) the Manager or its Affiliates may have an interest in disposing of Company assets at an earlier date than the other Members so as to recover its investment in the Units made by it or its Affiliates, (iii) substantial purchases of Units by the Manager or its Affiliates may limit the Manager's ability to fulfill any financial obligations that it may have to or on behalf of the Company and (iv) the acquisition of Units by the Manager and/or its Affiliates will mean that the total Units acquired will not have been purchased by disinterested investors after an assessment of the merits and risks of the Offering. See "Conflicts of Interest."

Federal Income Tax Risks

General. There are substantial risks associated with the federal income tax aspects of an investment in the Company. The income tax consequences of an investment in the Company are complex and recent tax legislation has made substantial revisions to the Code. Many of these changes affect the tax benefits generally associated with an investment in real estate. The following paragraphs summarize some of the tax risks to the Members. A further discussion of the tax aspects (including other tax risks) of an investment in the Company is set forth under "Material Federal Income Tax Considerations." Because the tax aspects of the Offering are complex, and certain of the tax consequences may differ depending on individual tax circumstances, prospective investors are urged to consult with and rely on their own tax advisor concerning the Offering's tax aspects and their individual situation. **No representation or warranty of any kind is made with respect to the acceptance by the Internal Revenue Service ("IRS") of the treatment of any item by the Company or an investor.**

Risk of Audit. The Company's federal information returns may be audited by the IRS. An audit may result in the challenge and disallowance of some of the deductions described in the returns. No assurance or warranty of any kind can be made with respect to the deductibility of any such items in the event of either an audit or any litigation resulting from an audit. In addition, any such audit may lead to an audit of a Member's individual tax return, which may lead to adjustments other than those relating to such Member's investment in the Company. The costs of such audit and adjustments would be borne by the affected Members.

Tax Classification of the Company. The Manager will elect that the Company, and the Company will elect that the JVs, be taxed as partnerships for federal income tax purposes. If the Company or the JVs were to be treated for tax purposes as a corporation, the tax benefits associated with an investment in a limited liability company, if any, would not be available. The Company would, among other things, pay income tax on its earnings in the same manner and at the same rate as a corporation, and losses, if any, would not be deductible by the Members. See "Material Federal Income Tax Considerations – Tax Consequences Regarding the Company – Status as a Partnership."

Possible Disallowance of Various Deductions. The availability, timing and amount of deductions or income of the Company and the JVs will depend not only on general legal principles but also on various determinations that are subject to potential controversy on factual and other grounds. Such determinations could include, among other things, the allocation of basis to buildings, land, leaseholds and personal property. If the IRS were successful, in whole or in part, in challenging the Company or the JVs on these issues, the federal income tax benefits of an investment in the Company and the JVs, if any, might be materially reduced. See "Material Federal Income Tax Considerations."

Limitations on Losses and Credits. Various provisions of the Code may limit a Member's ability to deduct losses or expenses allocated to the Member by the Company, including a basis limitation under Code Section 704(d), passive loss limitations under Code Section 469, "at risk" limitations under Code Section 465 and limitations on the deductibility of interest under Code Sections 163(d) and 163(j). In light of these limitations, prospective investors should not purchase Units with the expectation that they will be able to use losses and deductions allocated to them by the Company to reduce ("shelter") income from sources other than the Company. See "Material Federal Income Tax Considerations – Tax Consequences Regarding the Company – Losses and Credits from Passive Activities."

Allocation of Net Income and Net Loss. In order for the allocations of income, gains, deductions, losses and credits under the LLC Agreement to be recognized for tax purposes, such allocations must possess substantial economic effect. No assurance can be given that the IRS will not claim that such allocations lack substantial economic effect. If any such challenge to the allocation of losses to any Member were upheld, the tax treatment of the investment

for such Member could be adversely affected. See "Material Federal Income Tax Considerations – Tax Consequences Regarding the Company – Allocation of Net Income and Net Loss."

Taxable Income in Excess of Cash Receipts. It is possible that a Member's taxable income resulting from its interest in the Company will exceed the cash distributions attributable thereto. This may occur because funds received by the Company may be taxable income to the Company while the Company may use such funds for nondeductible operating or capital expenses of the Company or the repayment of loans. Thus, there may be years in which a Member's tax liability exceeds its share of cash distributions from the Company. The same tax consequences may result from a Member's sale or transfer of the Member's Units, whether voluntary or involuntary, and may produce ordinary income or capital gain or loss. See "Material Federal Income Tax Considerations."

Potential Limitation of Net Loss. Prospective investors should be aware that the Members will only be able to utilize Net Loss up to the amount of their basis in their Units.

Unrelated Business Taxable Income. It is anticipated that if the Company generates taxable income, such income will be considered UBTI. Tax-exempt entities should consult with their own tax counsel regarding the effect of any UBTI. See "Material Federal Income Tax Considerations – Investment by Qualified Plans, IRAs and Tax-Exempt Entities – Unrelated Business Taxable Income."

Alternative Minimum Tax. The alternative minimum tax applies to designated items of tax preference. The limitations on the deduction of passive losses also apply for purposes of computing alternative minimum taxable income. See "Material Federal Income Tax Considerations – Alternative Minimum Tax."

Accuracy-Related Penalties and Interest. If an income tax audit disallows Company deductions, investors should be aware that the IRS could assess significant penalties and interest on tax deficiencies. See "Material Federal Income Tax Considerations – Accuracy-Related Penalties and Interest."

State Income Taxes. The Members may have to file and pay taxes in the states where the Projects are located and may be subject to withholding for income taxes. This Memorandum does not analyze or discuss state or local tax consequences. Each prospective investor should consult with their own tax advisors regarding the tax consequences of a purchase of a Unit in the state where they reside and the states where the Company operates and the Projects are located. Itemized deductions of individuals for state and local taxes are subject to limitations. These limitations do not apply to property taxes that are incurred in carrying on a trade or business or an activity for the production of income. See "Material Federal Income Tax Considerations – State and Local Taxes."

Changes in Federal Income Tax Law. At any time, the United States federal income tax laws or regulations governing real estate funds or the administrative interpretations of those laws or regulations may be changed, possibly with retroactive effect. The Company cannot predict if or when any new United States federal income tax law, regulation or administrative interpretation, or any amendment to any existing United States federal income tax law, regulation or administrative interpretation, will be adopted, promulgated or become effective or whether any such law, regulation or interpretation may take effect retroactively. The Company and its Members could be adversely affected by any such change in, or any new, United States federal income tax law, regulation or administrative interpretation.

The discussion of tax aspects contained in this Memorandum is based on law presently in effect and certain proposed Treasury Regulations. Nonetheless, prospective investors should be aware that new administrative, legislative or judicial action could significantly change the tax aspects of the Company. Any such change may or may not be retroactive with respect to the transactions entered into or contemplated before the effective date of such change and could have a material adverse effect on an investment in the Units.

For a further discussion on the tax aspects of an investment in the Units, see "Material Federal Income Tax Considerations."

Retirement Plan Risks

Failure to Meet Requirements under ERISA and the Code. If the fiduciary of an employee benefit plan subject to ERISA or a plan, individual retirement plan ("IRA") or other arrangement subject to Code Section 4975

fails to meet the fiduciary and other standards under ERISA or the Code as a result of an investment in the Units, the fiduciary could be subject to civil penalties. See "ERISA and Other Benefit Plan Considerations."

ERISA and Special Considerations. Special considerations apply to (i) employee benefit plans subject to ERISA, (ii) plans, IRAs and other arrangements subject to Code Section 4975 and (iii) entities deemed under ERISA to hold the "plan assets" of any such employee benefit plans or plans that are investing in the Units. Fiduciaries investing the assets of such a plan in the Units should, among other things, as applicable, consider the following, as applicable:

- whether the investment is in accordance with the documents and instruments governing such plan;
- the definition of "plan assets" under ERISA and the impact thereof on the plan's investment in the Company;
- whether the investment satisfies the diversification requirements of Section 404(a)(1)(C) of ERISA (or other applicable law);
- whether, under Section 404(a)(1)(B) of ERISA (or other applicable law), the investment is prudent, considering the nature of an investment in and the compensation structure of the Company and the fact that there is not expected to be a market created in which the Units can be sold or otherwise disposed of;
- that the Company has no history of operations;
- whether the Company or any Affiliate is a "party-in-interest" (within the meaning of Section 3(14) of ERISA) or "disqualified person" (within the meaning of Code Section 4975) with respect to the plan; and
- the need to annually value the Units.

With respect to the annual valuation requirements described above, the Company will provide reports of the Company's annual determination of the current estimated value of Units in the Company, if available and already in existence, to those fiduciaries (including IRA trustees and custodians) who identify themselves to the Company as such and request the reports. The Company valuation may be, but is not required to be, performed by independent appraisers. The Company can make no claim whether such estimated value will or will not satisfy the applicable annual valuation requirements under ERISA and the Code. The Department of Labor or the IRS may determine that a plan fiduciary is required to take further steps to determine the value of the Units. In the absence of an appropriate determination of value, a plan fiduciary may be subject to damages, penalties or other sanctions.

Failure to satisfy the fiduciary standards of conduct and other applicable requirements of ERISA and the Code may result in the imposition of civil penalties and could subject the fiduciary to claims for damages or for equitable remedies. In addition, if an investment in the Units constitutes a prohibited transaction under ERISA or the Code, the fiduciary who authorized or directed the investment may be subject to the imposition of excise taxes with respect to the amount invested. In the case of a prohibited transaction involving an IRA owner, the IRA may lose its tax-exempt status and thus, the entire value of the IRA would be considered to be distributed and taxable to the IRA sponsor. Plan fiduciaries should consult with their own legal advisors before making an investment in the Units. See "ERISA and Other Benefit Plan Considerations."

ESTIMATED USE OF PROCEEDS

The following table sets forth certain information concerning the estimated use for the Offering Proceeds:

	Minimum Offering		Maximum Offering	
	Amount	Percentage of Gross Proceeds	Amount	Percentage of Gross Proceeds
Gross Offering Proceeds	$ 2,000,000	100.00%	$ 25,000,000	100.00%
Organization and Offering Expenses[(1)]	$ 200,000	10.00%	$ 250,000	1.00%
Reserves[(2)]	$ 50,000	5.00%	$ 250,000	1.00%
Available for Investment[(3)]	$ 1,750,000	85.00%	$ 24,500,000	98.00%
Total Application	$ 2,000,000	100.00%	$ 25,000,000	100.00%

(1) The Manager will be entitled to reimbursement of the Organization and Offering Expenses. The Company anticipates that the Organization and Offering Expenses will be approximately $200,000 if the Maximum Offering Amount is sold (approximately 1.0% of the Maximum Offering Amount), and approximately $200,000 if the Minimum Offering Amount is sold (approximately 10% of the Minimum Offering Amount).

(2) The Manager will establish reserves for ongoing operations of the Company and for operations and maintenance of the JVs in an amount equal to approximately 5.00% (approximately 1.0% of the Maximum Offering Amount).

(3) The Projects will be initially acquired by the JVs with a cash down payment and acquisition debt which has not yet been identified. Amounts available for investment will be used to acquire interests in the JVs and to pay JV and Company expenses.

DESCRIPTION OF THE JVS

The Company will seek primarily to acquire interests in JVs which will invest in 8 to 15 diversified workforce multifamily housing properties located primarily in North Carolina and South Carolina. There are no specific limitations on the number or size of JVs to be acquired by the Company or on the percentage of net proceeds of the Offering which may be invested in a single JV. The number and mix of interests in JVs acquired will depend upon real estate market conditions and other circumstances existing at the time the Company makes its investments in the JVs as well as the amount of the net proceeds of the Offering. It is anticipated that the Company will acquire LLC membership interests (directly or through special purpose entities or joint ventures) in the JVs. The Manager has not identified any interests in JVs likely to be acquired by the Company. When the Manager identifies interests in JVs likely to be acquired by the Company, this Memorandum will be supplemented with Project Supplements which will include information regarding the JVs.

DESCRIPTION OF THE PROJECTS

The JVs will seek to acquire 8 to 15 Projects located primarily in North Carolina and South Carolina. There are no specific limitations on the number or size of Projects to be acquired by the JVs or on the percentage of net proceeds of the Offering which may be invested in a single Project. The number and mix of Projects acquired will depend upon real estate market conditions and other circumstances existing at the time the JVs make their investments in the Projects as well as the amount of the net proceeds of the Offering. It is anticipated that the JVs will own a fee interest in the Projects, provided that, in some cases, the JVs may acquire long-term ground lease interests or LLC membership interests (indirectly or through special purpose entities or joint ventures) in certain Projects. The Manager has not identified any Project likely to be acquired by the JVs. When the Manager identifies Projects likely to be acquired by the JVs, this Memorandum will be supplemented with Project Supplements which will include information regarding the Projects.

ACQUISITION AND FINANCING TERMS

The JVs will purchase Projects pursuant to purchase and sale agreements with unaffiliated sellers. The JVs may also acquire interests in Projects currently owned by Affiliates of the Manager. Accordingly, the purchase agreements for such interests and terms of such transactions will not be negotiated on a third-party arm's length basis and may not be on market terms. The terms of the purchase and sale agreements are not currently known. The JVs will be responsible for all of the closing costs associated with any Project acquired by the JVs (or their pro rata portion of such costs in the event the interests are being purchased through a joint venture with other entities), and it is likely that the JVs will be required to establish reserves for the Projects. The acquisition structure for interests in the JVs and the Projects is currently unknown, but it is anticipated that the JVs will acquire interests in each Project directly or through a special purpose entity. The Manager or its Affiliates are entitled to receive an acquisition fee with respect to the Projects acquired.

The JVs intend to finance the purchase of Projects with Offering Proceeds and loans obtained from various third-party lenders. The JVs anticipate that the loan-to-cost ratio for each JV will be 70% based on the purchase price, closing costs and anticipated capital expenditure plans of each of the Projects. The JVs may obtain financing that is less than or exceeds such loan-to-cost ratio in its sole discretion. The JVs have not obtained any financing commitments for any Projects.

COMPANY INVESTMENT STRATEGY

Overview

The Company is seeking to raise $25 million in equity capital to go along with not less than a 10% co-investment by the Manager and its Affiliates. The Company intends to use the proceeds from the Offering to invest in a series of JVs as the general partner or managing member of these JVs. The Company intends to invest in transactions that will produce a Project-level return of greater than a 15% internal rate of return ("IRR") and a greater than a 2.0X multiple on invested equity ("MOIC"). Subject to the specific terms of each JV, the Company anticipates receiving excess profit participation after achieving these targets, which will increase the returns to the Company to a 20%+ IRR and a greater than 2.5x MOIC, after all expenses of the Company. This net return to each Class will differ between the Classes of Units offered.

The Company will continue the Manager's strategy of investing in Projects generally constructed prior to the year 2000, located in North Carolina and South Carolina. These properties are generally in need of moderate to significant levels of capital improvement at the time of purchase. These deferred maintenance items generally create compelling opportunities after acquisition as the renovation needed to upgrade can create strong rental returns upon successful replacement or upgrade.

The Manager's property management entity, Ginkgo Residential LLC, was formed in 2010, to manage property management, construction management and all activities related to the acquisition, re-development, capitalization and disposition of the Projects. Eric S. Rohm and William C. Green (collectively, the "Principals"), have been collectively pursuing the investment strategy of acquiring and renovating older apartment communities that target median income households since 2011.

Investment Focus and Differentiation

The Company's strategy is to focus exclusively on the mid-market, older Projects, priced well below replacement costs that require moderate to significant levels of capital investment (the "Investments"). We believe the tenancy that resides in these types of assets are historically underserved and further believe that these types of Investments do not appeal to publicly traded and/or large institutional investors in the multifamily sector. As a result, the cash flow that may result from the Investments may prove to be superior to newer assets due to lower purchase prices resulting from a more discrete group of buyers.

Investment Sourcing

The Manager believes that the majority of the Investments will be sourced through its acquisitions team evaluating marketed transactions in the Company's target markets, together with potential off-market transactions identified through the market relationships of the acquisitions team and the Principals.

Diversification & Controls

The Manager intends to create Fund diversification through adherence to the following investment guidelines:

- No more than 20% of the total capital of the commitments to the Company in one real estate asset; and
- No more than 70% loan-to-cost debt financing across the entire portfolio.

Investment Highlights

Focused Strategy

The Company will seek to continue the Manager's focus on acquiring pre-2000 vintage multifamily Projects, in its core Carolina markets, that require moderate to significant capital investments and to reposition such Projects for market and operational success.

Track Record

From December 2010 through December 2025, the Principals have sponsored $1.5 billion of investments across more than 50 properties through various Affiliated entities (See "Prior Real Estate Programs"). As a result of this track record, the Manager believes that the Company's investors will benefit from an investment strategy built and refined over time based on information gleaned from the Principals' management and oversight of prior investments. The Manager believes this will provide a strong basis for analyzing and structuring investments.

Experienced Team

The Manager's real estate professionals have over 100 combined years in identifying, financing, acquiring, managing, renovating, operating and realizing on the types of investments in which the Company will invest. The Manager believes its team is one of the most experienced teams operating in its area of investment focus.

Integrated Capabilities of Manager

The Manager, together with its Affiliated property management subsidiary Ginkgo Residential LLC, is a vertically integrated organization with acquisition, leasing, property management, construction management, financing and asset management capabilities.

Manager's Investment in the Company

The Manager and its Affiliates will make a commitment of the greater of $1 million or 10% of the equity capital of the Company.

PLAN OF DISTRIBUTION

Rule 506(b)

The Offering is being made in reliance on Rule 506(b) of Regulation D promulgated under the Securities Act. As a result, no general advertising or general solicitation is permitted in connection with the sale of the Units.

Capitalization

The Offering is for a minimum of 400 Units ($2,000,000) and a maximum of 5,000 Units ($25,000,000) at $5,000 per Unit. A minimum purchase of 200 Class I Units (200 Units at $5,000 per Unit), 50 Class A1 Units (50 Units at $5,000 per Unit) or 10 Class A2 Units (10 Units at $5,000 per Unit) is required, except that the Company may, in its sole discretion, permit certain investors to purchase fewer Units. After funding the Company with the Minimum Offering Amount, the net proceeds from the sale of each Unit will be added to the Company's capital and utilized for the purposes set forth in this Memorandum. Notwithstanding the foregoing, in no event will the number of Members holding Units exceed 1,950 as determined under the Exchange Act.

The Company intends to continue the Offering until the Offering Termination Date.

Qualifications of Prospective Investors

The Units are being offered only to Accredited Investors who can represent that they meet the Investor Suitability Requirements described under "Who May Invest" and may be purchased only by prospective investors who satisfy such suitability requirements.

Sale of Units

The purchase price of $5,000 for each Unit will be payable in full in cash upon subscription. The minimum subscription amount will be 200 Class I Units (200 Units at $5,000 per Unit), 50 Class A1 Units (50 Units at $5,000 per Unit) or 10 Class A2 Units (10 Units at $5,000 per Unit), except that the Company may, in its sole discretion, permit certain investors to purchase fewer Units. All Subscription Payments will be promptly deposited in the Escrow Account until the Minimum Offering Amount has been sold. If the Minimum Offering Amount has not been sold and paid for by the Minimum Offering Termination Date, all funds on deposit will be promptly returned to subscribers in full, without deduction or charges. There can be no assurance that all Units will be sold prior to the Offering Termination Date. The Company reserves the right to refuse to sell Units to any person, in its sole discretion, and may terminate the Offering at any time.

Sales Materials

Other than this Memorandum, the Project Supplements and factual summaries and sales brochures of the Offering prepared by the Company, no other material will be used in the Offering.

The Manager may also respond to specific questions from broker-dealers and prospective investors. Information relating to the Offering may be made available to broker-dealers for their internal use. However, the Offering is made only by means of this Memorandum. Except as described herein, neither the Company nor the Manager has authorized the use of other sales materials in connection with the Offering. The information in such material does not purport to be complete and should not be considered a part of this Memorandum, or as incorporated in this Memorandum by reference or as forming the basis of the Offering.

No broker-dealer, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Memorandum or in any sales literature issued by the Company and, if given or made, such information or representations must not be relied upon.

Subscription Procedures

To subscribe for Units, a purchaser must complete and sign the Subscription Agreement attached as Exhibit A. The purchaser must deliver to the Company the fully executed Subscription Agreement and a check for (x) in the case of a purchaser seeking to acquire Class A1 or Class A2 Units, the full Subscription Payment or (y) in

the case of a purchaser seeking to acquire Class I Units, an amount determined by the Manager of not less than 10% of the Subscription Payment, in each case, made payable to GINKGO GP FUND II LLC" or the purchaser may submit the Subscription Payment by wire transfer of immediately available funds directly into the Escrow Account. The Company will process the proposed subscription and deposit any checks for the Subscription Payment to the Escrow Account. During the escrow period, funds tendered pursuant to the Subscription Agreement will be deposited in the Escrow Account by noon of the next business day following receipt.

Escrow Account

All Subscription Payments received on account of subscriptions will be held in the Escrow Account pending receipt and acceptance by the Company of Subscription Payments for $2,000,000 in Units. Pending the Initial Closing or termination of the Offering, the cash in the Escrow Account will be deposited in a non-interest-bearing account. If the Minimum Offering Amount has not been subscribed prior to the Minimum Offering Termination Date, none of the Units will be sold and all funds tendered for the purchase of Units will be refunded in full to each subscriber without offset. If the Minimum Offering Amount is subscribed to and funds are released to the Company, any returns on a Member's investment will be calculated with reference to the date the Member's funds were released from the Escrow Account.

Acceptance of Subscriptions

The Manager has the right, to be exercised in its sole discretion, to accept or reject any subscription in whole or in part for a period of 30 days after receipt of the Subscription Agreement. Any subscription not accepted within 30 days of receipt will be deemed rejected.

Limitation of Offering

The offer and sale of Units are being made in reliance upon exemptions from the Securities Act and state securities laws. Accordingly, distribution of this Memorandum has been strictly limited to persons satisfying the Investor Suitability Requirements described herein, and this Memorandum does not constitute an offer to sell or a solicitation of an offer to buy with respect to any person not satisfying those requirements.

THE MANAGER AND ITS AFFILIATES

The Manager

The Manager of the Company is Ginkgo Multifamily OP LP, a Delaware limited partnership. The Manager was formed as a Delaware limited partnership on January 22, 2019. Ginkgo REIT Inc., a Maryland corporation ("Ginkgo REIT") is the general partner of the Manager. Ginkgo REIT is externally managed by Ginkgo Residential LLC, a North Carolina limited liability company (the "Advisor") pursuant to an advisory agreement. The Manager has the exclusive authority to manage and control all aspects of the business of the Company. In the course of its management, the Manager may, in its sole discretion, employ such persons, including Affiliates of the Manager, as it deems necessary. The following are the senior executives of Ginkgo REIT, the general partner of the Manager:

Name	Title
William C. Green	Co-CEO and President of Ginkgo REIT
Eric S. Rohm	Co-CEO and Secretary of Ginkgo REIT
Jennifer Higbee	Vice President and Assistant Secretary of Ginkgo REIT
Eric Stamp	Chief Financial Officer and Treasurer of Ginkgo REIT

William C. Green
Co-Chief Executive Officer and President

Mr. Green serves as Co-Chief Executive Officer, President and a director of Ginkgo REIT. He is also a principal of the Advisor where he is responsible for all financial aspects of the Advisor and its Affiliates, including debt and equity placements. Mr. Green brings over 40 years of experience in real estate and real estate finance. Prior to joining the Ginkgo Group, Mr. Green was a co-founder of Tannery Brook Partners, LLC and Cazenovia Creek Investment Management, LLC. Prior to these ventures, he was employed with Starwood Capital Group, where he was responsible for the debt investments business of the firm, and was responsible for the Starwood Debt Fund II in 2008. Before joining Starwood Capital Group, Mr. Green spent the majority of his career in banking. He served eight years with Wachovia Bank, N.A. as Global Head of Real Estate Capital Markets, and nine years at Bank of America Securities where he held various positions, including Managing Director of Real Estate Private Distributions and Managing Director of the Commercial Mortgage Conduit Program. Prior to those assignments, Mr. Green had eight years of real estate development and real estate finance experience in the greater New York area with both private and public firms. Mr. Green holds a Masters in Business Administration from the Stern School of Business at New York University and a Bachelor of Arts in Economics from Hobart College. Mr. Green serves on the board of directors of Arbor Realty Trust, Inc., an NYSE-listed REIT, where he is the lead independent director and serves on the board of directors of Royal Oak Realty Trust, a non-traded REIT where he is a nominated director.

Eric S. Rohm
Co-Chief Executive Officer and Secretary

Mr. Rohm serves as Co-Chief Executive Officer, Secretary and a director of Ginkgo REIT. He is also a principal of the Advisor where he is responsible for the overall operations of the Advisor and its Affiliates, with general oversight of property management, legal, risk management, human resources and systems administration functions, and is integrally involved in all strategic planning. From 2007 through 2010, Mr. Rohm served as Chief Legal & Administrative Officer of Babcock and Brown Residential, and prior to that served as Vice President and General Counsel for BNP Residential Properties Inc. from 2002 to 2007. Prior to that, Mr. Rohm was a Partner of Kennedy Covington Lobdell & Hickman, LLP in Charlotte, North Carolina, where he practiced law from 1994 through 2002, and his practice focused on all aspects of real estate acquisition/disposition, development and financing, as well as real estate private equity investment transactions. Mr. Rohm earned a Bachelor of Arts degree in Government, magna cum laude, from Georgetown University, and a Juris Doctor degree, summa cum laude, from The Ohio State University College of Law. Mr. Rohm is licensed to practice law in the State of North Carolina and is a member of the North Carolina State Bar, the North Carolina Bar Association and the Association of Corporate Counsel. He serves on the Board of Trustees of the Penland School of Crafts in Penland, North Carolina.

Jennifer Higbee
Vice President & Assistant Secretary

Ms. Higbee serves as Vice President and Assistant Secretary of Ginkgo REIT. She is also the Chief Financial Officer of the Advisor, which she joined in 2012, where she oversees all day to day accounting functions, cash management and financial reporting and analysis for the Advisor and its Affiliates. Prior to joining the Advisor, Ms. Higbee was a Finance Manager at Lend Lease Americas from 2009 to 2012, where she was responsible for management reporting and budgeting. Prior to that, Ms. Higbee was a Senior Assurance Associate in the Real Estate & Construction group at Grant Thornton LLP from 2004 to 2009, where her practice focused on publicly traded real estate companies. Ms. Higbee earned both her Bachelor of Science and Masters of Science in Accounting from Appalachian State University. She is a certified public accountant in North Carolina and a member of the American Institute of CPAs (AICPA).

Eric Stamp
Chief Financial Officer and Treasurer

Mr. Stamp serves as Chief Financial Officer and Treasurer of Ginkgo REIT. He is also the Chief Financial Officer–REIT Activities of the Advisor, which he joined in 2018, where he is responsible for overseeing the finance, capital markets, accounting, tax, financial reporting and treasury functions. Prior to joining the Advisor, Mr. Stamp was a Senior Audit Associate in the Real Estate & Construction group at Grant Thornton LLP from 2016 to 2018, where he provided assurance services to private and publicly traded real estate clients, including REITs, real estate investment companies and other real estate operating companies. Mr. Stamp holds both a Bachelor of Science in Accounting and a Master of Accountancy from the University of North Carolina at Charlotte. He is a Certified Public Accountant in North Carolina.

PRIOR PERFORMANCE OF THE MANAGER

The senior officers of Ginkgo REIT, as the sole general partner of the Manager, have relevant experience acquiring, owning, managing and operating multifamily residential properties and managing a fund.

The information presented in this section represents the historical experience of real estate programs and investment projects sponsored by the Manager and its Affiliates. Prospective investors should not assume that they will experience returns, if any, comparable to those experienced by investors in such prior real estate programs and investment projects. Purchasers of Units will not acquire any ownership interest in any of the investment projects or real estate programs to which the following information relates.

In considering the prior performance information contained herein, prospective investors should bear in mind that past performance is not indicative of future results, and there can be no assurance that comparable results will be achieved in the future. It is anticipated that the operating results of the JVs and the Company will be significantly different than those of the prior real estate programs and investment projects described below.

Experience and Background of the Manager

The Manager was formed in 2019 to sponsor real estate programs and investment projects. The principal business of the Manager and its Affiliates is the acquisition, operation and management of multifamily residential properties. The Manager and its Affiliates have been involved with over 50 real estate programs since its formation, and acquired or fully recapitalized in excess of 50 properties for an aggregate purchase price exceeding $1 billion. These prior programs raised more than $500 million from over 500 investors. More than 40 of the properties have been sold, recapitalized or contributed to the Manager in 721(a) tax deferred elections.

Prior Real Estate Programs

The table below summarizes properties acquired by the Manager as of December 31, 2025:

Project	Location	Total Units	Net Rentable Square Feet	Year Built	Occupancy Rate[(1)]	Percentage Owned[(2)]	Date Initial Interest Acquired
Arbor Creek	Raleigh, NC	347	248,854	1970	91.63%	27.79%	08/03/21
Aurora	Charlotte, NC	486	454,222	1962	90.63%	38.09%	08/31/22
Biscayne	Charlotte, NC	54	55,260	1993	79.57%	25.00%	06/30/22
Boundary Village	Cary, NC	186	222,052	1973	87.13%	36.58%	09/20/21
Brackenbrook	North Charleston, SC	168	157,000	1985	89.11%	10.00%	08/21/25
Bridges at Quail Hollow	Charlotte, NC	90	97,938	1982	98.12%	100.00%	02/25/20
Bridgewood & Ridgecrest Manor	Winston-Salem, NC	72	43,040	1979	89.16%	17.69%	04/13/22
Brookford Place	Winston-Salem, NC	108	103,824	1998	96.81%	100.00%	08/01/19
Cedar Oaks (Cates)	Charlotte, NC	17	14,076	1982	75.78%	100.00%	04/01/23
Cedar Ridge	Winston-Salem, NC	112	77,095	1984	93.17%	6.14%	06/15/21
Central Pointe	Charlotte, NC	336	312,544	1972	91.54%	45.51%	08/31/22
Country Club	Mooresville, NC	110	106,700	1988	83.88%	25.00%	12/15/21
Croasdaile	Durham, NC	272	258,008	1973	90.31%	30.35%	11/01/20
East Park	Charlotte, NC	71	55,420	1967	88.83%	100.00%	11/10/21
Fieldbrook	Mooresville, NC	110	108,515	1973-1985	94.25%	25.00%	03/30/22
Forest at Chasewood	Charlotte, NC	220	153,560	1995	87.70%	19.18%	09/30/20
Four Seasons	Greensboro, NC	90	86,400	1970	86.78%	7.00%	09/17/25
Gardens at Country Club	Winston-Salem, NC	137	152,250	1968	98.17%	100.00%	11/13/20
Glendare Park	Winston-Salem, NC	600	578,726	1968-1975	93.01%	100.00%	08/01/19
Hickory Woods	Charlotte, NC	202	169,380	1987	88.88%	30.00%	11/29/22
Kelston	Charlotte, NC	310	300,370	1988	70.40%	13.70%	11/13/25

Project	Location	Total Units	Net Rentable Square Feet	Year Built	Occupancy Rate[(1)]	Percentage Owned[(2)]	Date Initial Interest Acquired
Kimmerly Glen	Charlotte, NC	260	195,210	1986	92.41%	40.00%	10/01/20
Lakeside	Davidson, NC	52	41,472	1978	71.24%	14.39%	09/28/23
Matthews Lofts at North End	Matthews, NC	81	61,474[(3)]	2010-2013	96.71%	100.00%	03/01/20
North Bluff	North Charleston, SC	144	139,216	1985	99.22%	10.00%	08/21/25
North Main Village	Mooresville, NC	72	74,598	2019	86.75%	11.46%	03/28/23
Olde North Village	Winston-Salem, NC	48	43,896	1983	84.45%	17.69%	04/13/22
Parkwood	Charlotte, NC	128	115,008	1984	94.48%	26.53%	04/01/22
Pepperstone	Greensboro, NC	108	118,800	1990	98.10%	100.00%	04/01/20
Salem Ridge	Winston-Salem, NC	120	87,784	1985	94.61%	100.00%	09/01/19
Savannah Place	Winston-Salem, NC	172	197,630	1989-1995	96.94%	100.00%	09/01/20
Sawbranch	Summerville, SC	112	102,000	1977	89.11%	10.00%	08/21/25
Sharon Lakes	Charlotte, NC	9	6,822	1972	100.00%	100.00%	12/27/24
Spencer Crossing	Greensboro, NC	63	66,850	2006	99.56%	100.00%	11/30/21
Swathmore Court	High Point, NC	104	105,690	2001	96.32%	100.00%	12/15/21
The Arden & The Davy	Charlotte, NC	35	24,850	2010	87.88%	100.00%	11/10/22
The Cedars	Mooresville, NC	40	21,120	1986	63.63%	25.00%	11/20/20
The Cove	Winston-Salem, NC	213	156,390	1985	90.41%	6.14%	06/15/21
The Flats at Salem	Winston-Salem, NC	259	179,394	1985	96.11%	25.00%	10/19/21
The Landing	Hanahan, SC	119	140,450	1975	91.48%	10.00%	08/21/25
The Preserve	Cary, NC	137	167,295	1993	92.16%	15.00%	10/22/21
The Preserve at Pine Valley	Wilmington, NC	219	177,525	1974	87.99%	10.00%	02/12/25
The Station on Pineview	Kernersville, NC	177	117,450	1973	97.30%	6.14%	06/15/21
Town 324	Matthews, NC	24	16,716	2019	83.19%	100.00%	06/01/21
Willowdaile	Durham, NC	201	164,067	1985	77.63%	33.73%	07/31/23
Woodcreek Farms	Elgin, SC	176	192,016	2005	95.34%	100.00%	04/01/20
Woodlocke	Moncks Corner, SC	104	102,560	1976	94.37%	10.00%	08/21/25
Yorkshire	Rock Hill, SC	183	172,677	1980	98.00%	36.33%	09/30/21
Total Portfolio		**7,458**	**6,744,194**				

(1) Occupancy Rate is reported as the percentage of leased units divided by the total unit count for the month ended December 31, 2025.

(2) Represents direct and/or indirect membership interests, including the controlling management interest, in the entity that owns the asset. One or more unaffiliated third parties own the remaining direct and indirect membership interests, although entities affiliated with Ginkgo Investment Company LLC may own some of these remaining interests.

(3) Excludes 7,039 net rentable square feet of commercial space.

DUTIES OF THE MANAGER

The Manager will not have any duties (fiduciary or otherwise) other than the ones specifically described in the LLC Agreement and the implied duty of good faith and fair dealing that is required by the Delaware Limited Liability Company Act. The Manager is responsible for the control and management of the Company and must exercise good faith and fair dealing in handling Company affairs. The Manager has a responsibility for the safekeeping and use of all funds and assets of the Company, whether or not in its immediate possession and control, and may not use or permit another to use such funds or assets in any manner except for the exclusive benefit of the Company. The funds of the Company will not be commingled with the funds of any other person or entity. The Manager may employ persons or firms to carry out all or any portion of the business of the Company and has the authority to employ contractors, architects, attorneys, accountants, engineers, appraisers or other persons or entities to assist it in the management and operation of the Company. Some or all of such persons or entities employed may be Affiliates of the Manager.

The LLC Agreement provides that the Manager, its owners, Affiliates, officers, directors, managers, employees, agents, assigns, principals and trustees and any officers of the Company will not be liable to the Company or the Members for any act or omission performed or omitted by it in good faith, but will be liable only for fraud, gross negligence or willful misconduct. Members and other holders of Units may, accordingly, have a more limited right of action against the Manager than they would have absent such an exculpatory provision in the LLC Agreement.

The LLC Agreement generally provides for indemnification of the Manager, its owners, Affiliates, officers, directors, managers, employees, agents, assigns, principals and trustees and any officers of the Company by the Company (to the extent of Company assets) for any claims, liabilities and other losses that it may suffer in dealings with third parties on behalf of the Company not arising out of fraud, gross negligence or willful misconduct.

CONFLICTS OF INTEREST

The Manager and its Affiliates may act, and are acting, as the manager of other limited liability companies, the manager of trusts or as the general partner of other partnerships. The Manager and its Affiliates may form and manage additional limited liability companies or other business entities. The Manager and its Affiliates have existing responsibilities and, in the future, may have additional responsibilities to provide management and services to a number of other entities in addition to the Company. As a result, conflicts of interest between the Company and the other activities of the Manager and its Affiliates may occur from time to time. The principal areas in which conflicts may be anticipated to occur are described below.

Ownership of Units

The Manager and its Affiliates may subscribe for any number of Units for any reason deemed appropriate by the Manager; provided, however, that the Manager will not purchase more than 25% of the Units. In addition, the Manager will not acquire any Units until the Minimum Offering Amount has been raised by the Company. The Manager and its Affiliates will not acquire any Units with a view to resell or distribute such Units. Any purchase of Units by the Manager and/or its Affiliates will be on the same terms and conditions as are available to all investors. The purchase of Units by the Manager or its Affiliates could create certain risks including, but not limited to, the following: (i) the Manager or its Affiliates would obtain voting power as Members, (ii) the Manager or its Affiliates may have an interest in disposing of Company assets at an earlier date than the other Members so as to recover its investment in the Units made by it or its Affiliates, (iii) substantial purchases of Units by the Manager or its Affiliates may limit the Manager's ability to fulfill any financial obligations that it may have to or on behalf of the Company and (iv) the acquisition of Units by the Manager and/or its Affiliates will mean that the total Units acquired will not have been purchased by disinterested investors after an assessment of the merits and risks of the Offering. See "Risk Factors – Risks Relating to Offering and Lack of Liquidity – Purchase of Units by the Manager or its Affiliates."

Obligations to Other Entities

Conflicts of interest will occur with respect to the obligations of the Manager and its Affiliates to the Company and similar obligations to other entities. Moreover, the Company will not have independent management as the Members will rely on the Manager and its Affiliates for all of the Company's management decisions. Other investment projects in which the Manager and its Affiliates participate may compete with the Company for the time

and resources of the Manager and its Affiliates. The Manager and its Affiliates will, therefore, have conflicts of interest in allocating management time, services and functions among the Company and other existing companies and businesses, as well as any companies or businesses that may be organized in the future. Under the LLC Agreement, the Manager is obligated to devote as much time as it, in its sole discretion, deems to be reasonably required for the proper management of the Company and its assets. The Manager and its Affiliates believe that they have the capacity to discharge their responsibilities to the Company notwithstanding participation in other investment programs and projects.

Interests in Other Activities

The Manager may form additional limited liability companies and other entities in the future to engage in activities similar to and with the same investment objectives as those of the Company. The Manager may be engaged in sponsoring other such entities at approximately the same time as the Units are being offered or the Company's investments are being made. These activities may cause conflicts of interest between such activities and the Company, and the duties of the Manager concerning such activities and the Company. The Manager will attempt to minimize any conflicts of interest that may arise among these various activities. The Manager or any of its Affiliates may engage for their own account, or for the account of others, in other business ventures, whether related to the business of the Company or otherwise, and neither the Company nor any Member will be entitled to any interest therein solely by reason of any relationship with or to each other arising from the Company.

Acquisition of Other Properties in Market Area

It is possible that Affiliates of the Manager could acquire other multifamily properties that are located within a Project's market area. In such case, the other property and the Project will compete for tenants.

Receipt of Compensation by the Manager and its Affiliates

The payments to the Manager and its Affiliates set forth under "Compensation to the Manager and its Affiliates" have not been determined by arm's length negotiations. The Manager and its Affiliates will receive compensation pursuant to agreements that will be negotiated on behalf of the Company by the Manager and there will not be any independent valuation of such compensation. As a result, the Manager will determine its own compensation and the Members will not have approval rights for such compensation.

Manager's Representation of Company in Tax Audit Proceedings

Situations may arise in which the Manager may act as the partnership representative on behalf of the Company in administrative and judicial proceedings involving the IRS or other enforcement authorities. Such proceedings may involve or affect other entities for which the Manager or its Affiliates may act as the manager. In such situations, the positions taken by the Manager may have differing effects on the Company and the other entities. Any decisions made by the Manager with respect to such matters will be made in good faith consistent with the Manager's duties both to the Company and the Members and to any other entities for which the Manager or an Affiliate may be acting as a manager. However, any Member who desires not to be bound by any settlement reached by the Manager may file a statement within the period prescribed by applicable tax regulations stating that the Manager does not have authority to enter into a settlement on its behalf.

Legal Representation

Counsel to the Company, the Manager and their Affiliates in connection with the Offering is the same, and it is anticipated that such multiple representation will continue in the future. As a result, conflicts may arise in the future and if those conflicts cannot be resolved or the consent of the respective parties cannot be obtained to the continuation of the multiple representation after full disclosure of any such conflict, said counsel will withdraw from representing one or more of the conflicting interests with respect to the specific matter involved. Each Member acknowledges and agrees that counsel representing the Company, the Manager and its Affiliates does not represent and will not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Members in any respect. Each Member consents to the Manager hiring counsel for the Company which is also counsel to the Manager. In addition, 1 or more attorneys from DLA Piper LLP (US) may make an investment to acquire Units pursuant to the terms of the Offering; provided, however, such investment in

Units should not be taken as a representation or opinion concerning the operation of the Company's business, its future success or any other matter related to the investment by any Member in the Company.

Resolution of Conflicts of Interest

The Manager has not developed, and does not expect to develop, any formal process for resolving conflicts of interest. However, the Manager is subject to a duty to exercise good faith and fair dealing in handling the affairs of the Company, which duty will govern its actions in all such matters. See "Duties of the Manager." While the foregoing conflicts could materially and adversely affect the Members, the Manager, in its sole judgment and discretion, will attempt to mitigate such potential adversity by the exercise of its business judgment in an attempt to fulfill its legal obligations. There can be no assurance that such an attempt will prevent adverse consequences resulting from the numerous conflicts of interest.

Reimbursement of Expenses

The Manager will be reimbursed by the Company for all direct costs incurred by the Manager when performing services on behalf of the Company, for certain expenses incurred with respect to the acquisition of the Projects (including interest on funds advanced) and for certain indirect costs allocable to the Company. See "Summary of the LLC Agreement – Reimbursement of Expenses."

COMPENSATION TO THE MANAGER AND ITS AFFILIATES

The following is a brief description of the compensation (some of which involve cost reimbursements) to be paid by the Company or others to the Manager and its Affiliates. Much of this compensation will be paid regardless of the success or profitability of the Company. None of these fees were determined by arm's length negotiations.

Form of Compensation	Description	Estimated Amount of Compensation
Organization and Offering Stage:		
Reimbursement of Organization and Offering Expenses:	The Company will pay directly or reimburse the Manager (or its Affiliates) for all Organization and Offering Expenses, including legal, accounting, printing, marketing and other miscellaneous costs and expenses, as well as costs and expenses relating to the organization of the Company.	The actual amount will depend, in part, upon the size of the Offering. These costs and expenses are estimated to be approximately $250,000 if the Maximum Offering Amount is sold (approximately 1% of the Maximum Offering Amount), and approximately $200,000 if the Minimum Offering Amount is sold (approximately 10% of the Minimum Offering Amount).
Operating Stage:		
Reimbursement of Expenses to the Manager or its Affiliates:	The Company will pay directly or reimburse the Manager (or its Affiliates) for all direct or indirect expenses paid or incurred by the Manager (or its Affiliates) in connection with the services it provides to the Company, including, but not limited to, actual due diligence expenses, administration, legal, auditing, consulting, financing, accounting, investor relations, insurance (including directors and officers insurance) and custodian fees and expenses and any taxes, fees or other governmental charges levied against the Company. The Manager will pay, and not be reimbursed for, its own operating overhead expenses incidental to managing the Company, including, but not limited to, rent, utilities, capital equipment, employee salaries and benefits, and other administrative items. See "Summary of the LLC Agreement – Reimbursement of Expenses."	Impracticable to determine at this time.
Acquisition Fee:	The Advisor will be entitled to receive the Acquisition Fee for each Project acquired by the JVs (including Projects acquired from Affiliates) equal to 1% of the gross purchase price of each Project, which will be paid at the closing of the acquisition by the JV acquiring such Project. There may be instances where the total Acquisition Fee paid at a Project closing exceeds 1%, but the Acquisition Fee	Impracticable to determine at this time.

Form of Compensation	Description	Estimated Amount of Compensation
	paid to the Advisor will be limited to 1% of the gross purchase price of that Project.	
Asset Management Fee:	The Advisor will be entitled to receive the annual Asset Management Fee in an amount equal to (i) in respect of Class I Units, 1.00% of Capital Commitments, (ii) in respect of Class A1 Units, 1.25% of their original Capital Contributions and (iii) in respect of Class A2 Units, 1.45% of their original Capital Contributions, which will be paid on a monthly basis. The Advisor will also be entitled to receive an annual Investor Services Fee in an amount equal to (A) in respect of Class I Units, 0.25%, (B) in respect of Class A1 Units, 0.45% and (C) in respect of Class A2 Units, 0.85%.	Impracticable to determine at this time.
Property Management Fee:	The Property Manager will be entitled to receive the Property Management Fee for each Project equal to 3% of the gross revenues of the Project, which will be paid on a monthly basis by the respective JVs. If the Property Manager engages a third-party sub property manager to manage the day-to-day operations of a Project, the Property Manager will pay any fees to such third-party sub property manager.	Impracticable to determine at this time.
Construction Management Fee:	The Property Manager or an Affiliate will be entitled to receive the Construction Management Fee equal to 6% of any amount expended for construction, tenant improvement or repair projects with respect to a Project (including related professional services), which shall be paid by the applicable JV that owns such Project, including any capital expenditure in excess of $10,000, which will be paid beginning in the month that construction begins and continuing until substantial completion of the construction. Notwithstanding anything herein to the contrary, the Manager and its Affiliates shall not be entitled to any compensation in respect of Units owned by the Manager or its Affiliates. Allocations of Net Loss and Net Profits, and distributions of Cash From Operations, shall be adjusted to reflect the prior sentence.	Impracticable to determine at this time.

Form of Compensation	Description	Estimated Amount of Compensation
Interest in the Company:		
Distributions of Cash From Operations:	The Manager will receive, after the Members have received an amount equal to their accrued but unpaid Preferred Return and a return of their Net Capital Contributions, 20%, 30% or 35% of all Cash From Operations thereafter, in respect of Class I, Class A1 or Class A2 Units, respectively; provided that, such rates shall instead be 15%, 25% or 65%, respectively, in respect of REIT Investors; provided further that, in respect of Units owned by the Manager or its Affiliates, 100$ of Cash From Operations shall be distributed to the Members holding such Units.	Impracticable to determine at this time.
Allocation of Net Income:	After the Members have been allocated an amount equal to their Preferred Return, the Manager will be allocated Net Income equal to 20%, 30% or 35% of all Net Income thereafter in respect of Class I, Class A1 or Class A2 Units, respectively; provided that, such rates shall instead be 15%, 25% or 30%, respectively, in respect of REIT Investors.	Impracticable to determine at this time.
Allocation of Net Loss:	The Manager will be allocated Net Loss in an amount equal to all Net Income previously allocated to the Manager.	Impracticable to determine at this time.
Liquidation Stage:		
Disposition Fee:	The Advisor will receive the Disposition Fee in an amount equal to 1% of the sales price of the Project in connection with a sale, exchange or other disposition of a Project, which will be paid at the closing of such disposition. The Advisor will also be entitled to receive a Disposition Fee for Projects acquired through a joint venture with other entities based on the Company's proportional share of the sales price at the joint venture level.	Impracticable to determine at this time.

DESCRIPTION OF LIMITED LIABILITY COMPANY UNITS

The Units represent equity interests in the Company and entitle the holder thereof to participate in certain Company allocations and distributions. Persons who purchase Units from the Company will become Members in the Company and be entitled to vote on certain Company matters. See "Summary of the LLC Agreement."

The Company is offering for sale 5,000 Class I, Class A1 or Class A2 Units at $5,000 per Unit. The minimum investment in the Company is 200 Class I Units for a total purchase price of $1,000,000, 50 Class A1 Units for a total purchase price of $250,000 or 10 Class A2 Units for a total purchase price of $50,000, except that the Company may, in its sole discretion, permit certain investors to purchase fewer Units.

Units may not be freely assigned and are subject to restrictions on transfer by law, by regulation in the state where they are sold and by the LLC Agreement, and may be subject to restrictions on transfer imposed by lenders. It is not anticipated that a public trading market in the Units will develop. See "Restrictions on Transferability."

RESTRICTIONS ON TRANSFERABILITY

There are substantial restrictions on the transferability of the Units in the LLC Agreement and imposed by state and federal securities laws. Before selling or transferring a Unit, a Member must obtain the written consent of the Manager and comply with applicable requirements of federal and state securities laws and regulations, including the financial suitability requirements of such laws or regulations. It is highly unlikely that any market for the Units will develop and prospective investors should view an investment in the Units solely as a long-term investment.

In addition, the LLC Agreement provides that an assignee of the Units may not become a Substituted Member without meeting certain conditions and without the Manager's consent to such substitution, which consent the Manager may withhold in its sole discretion. If an assignee is not admitted to the Company as a Substituted Member, such assignee will have no right to vote on Company matters, no right to information relating to the Company's business and no right to participate in the management of the business and affairs of the Company. Such assignee will only be entitled to receive a share of profits and distributions to which a Member would otherwise be entitled. Further, no transfer will be allowed unless the Manager determines that the transfer will not cause the Company to be "publicly traded."

There are restrictions on transferability of the Units imposed by federal and state securities laws. The Units offered by this Memorandum have not been registered under the Securities Act or the securities laws of any state. The Units may not be transferred or resold unless they are registered, qualified or exempt under the Securities Act and applicable state securities laws. Appropriate legends setting forth the restrictions on the transfer of the Units are set forth in the LLC Agreement. No public market exists for the Units, and it is highly unlikely that any such market will develop. Prospective investors should view an investment in the Units as a long-term investment. In addition, a transfer of a Unit when an investor owns 20% or more of the Company without the lender's consent may be a default under the loan. Each Member will be responsible for compliance with applicable securities laws with respect to any transfer or resale of its Units. Further, there can be no more than 1,950 owners of Units in the Company.

Pursuant to the LLC Agreement, a transfer by a Member of its Units may not be made if the Manager determines that such transfer will cause the Company's Units to be deemed to be "traded on an established securities market" or "readily tradable on a secondary market (or the substantial equivalent thereof)" under the publicly traded partnership rules described in the Treasury Regulations. In making this determination, the Manager will be entitled to limit any transfers so that the transfers comply with one of the safe harbors in the Treasury Regulations; provided, however, that the Manager may, in its sole discretion and upon a determination that the Company will not be treated as a publicly traded partnership for federal income tax purposes, permit transfers that do not qualify for one of the safe harbors. Any Units owned by the Manager or its Affiliates may not be repurchased by the Company.

SUMMARY OF THE LLC AGREEMENT

General

The rights and obligations of the Members will be governed by the LLC Agreement, a copy of which is attached in its entirety as Exhibit B. Any prospective purchaser of the Units offered hereby should review the entire LLC Agreement before subscribing. The following is merely a summary of some of the significant provisions of the LLC Agreement and is qualified in its entirety by reference thereto.

The Company has been formed under the Delaware Limited Liability Company Act. The Manager is Ginkgo Multifamily OP LP. The Initial Member is William C. Green. The purchasers of the Units offered hereby will become Members of the Company.

The character and general nature of the business to be conducted by the Company is the acquisition and operation of interests in the JVs. The principal place of business (and mailing address) of the Company is 200 S College Street, Suite 200, Charlotte, North Carolina, 28202, and the telephone number is (704) 944-2014.

Term and Dissolution

The term of the Company will continue until December 31, 2099, although it may dissolve sooner upon the happening of certain events.

Capital Contributions

The Initial Member will contribute $100 to the Company, which will be returned when additional Members are admitted to the Company. Members will contribute cash to the Company in exchange for Units.

Allocation of Net Income

Subject to certain limitations, Net Income will be allocated as follows:

(1) First, to the Members and the Manager in proportion to and to the extent of Net Loss previously allocated to the Members and the Manager for all previous fiscal years in reverse order of priority;

(2) Second, to the Members in proportion to their accrued but unallocated Preferred Return until the Members have been allocated an amount equal to their accrued but unallocated Preferred Return; and

(3) Thereafter, (x) in respect of Class I Units, 80% to the Members (or 85% in respect of a REIT Investor) in proportion to their outstanding Class I Units and 20% to the Manager (or 15% in respect of a REIT Investor), (y) in respect of Class A1 Units, 70% to the Members (or 75% in respect of a REIT Investor) in proportion to their outstanding Class A1 Units and 30% to the Manager (or 25% in respect of a REIT Investor) and (z) in respect of Class A2 Units, 65% to the Members (or 70% in respect of a REIT Investor) in proportion to their outstanding Class A2 Units and 35% to the Manager (or 30% in respect of a REIT Investor); provided that, in respect of Units owned by the Manager or its Affiliates, 100% of Net Income shall go to the Members holding such Units.

Allocation of Net Loss

Subject to certain limitations, Net Loss will be allocated as follows:

(1) First, to the Members and the Manager in proportion to and to the extent of Net Income previously allocated to the Members and the Manager for all previous fiscal years in reverse order of priority; and

(2) Second, to the Members in proportion to their Units, provided that Net Loss will not be allocated to any Member to the extent such allocation would cause such Member to have an Adjusted Capital Account Deficit at the end of a fiscal year.

Distributions of Cash From Operations

Subject to the Manager's discretion to reinvest proceeds during the Investment Period, Cash From Operations will be distributed in the following order of priority:

(1) First, 100% to the Members in proportion to their accrued but undistributed Preferred Return, until the Members have been distributed an amount equal to their accrued but undistributed Preferred Return;

(2) Second, 100% to the Members in proportion to their Net Capital Contributions until the Members' Net Capital Contributions are reduced to zero; and

(3) Thereafter, (x) in respect of the Class I Units 80% to the Members (or 85% in respect of a REIT Investor) and 20% to the Manager (or 15% in respect of a REIT Investor), (y) in respect of the Class A1 Units, 70% to the Members (or 75% in respect of a REIT Investor) and 30% to the Manager (or 25% in respect of a REIT Investor) and (z) in respect of the Class A2 Units, 65% to the Members (or 70% in respect of a REIT Investor) and 35% to the Manager (or 30% in respect of a REIT Investor); provided that, in respect of Units owned by the Manager or its Affiliates, 100% of Cash From Operations shall be distributed to the Members holding such Units.

Tax Distributions to the Manager

Notwithstanding the above, the Company may, at the option of the Manager, make Distributions to the Manager prior to distributing Net Capital Contributions to the Members to the extent such Distributions are needed to pay any income taxes associated with allocations of Net Income to the Manager. Any such Distribution will reduce subsequent Distributions to be made to the Manager.

Tax Distribution Clawback

Notwithstanding the above, upon the sale, exchange or other disposition of the last JV interests, the Manager will contribute to the Company prior tax Distributions it received from the Company to the extent that all Distributions the Manager received from the Company, determined on a cumulative basis, exceed the amount that would have been distributed to the Manager if all Distributions had been made without regard to the tax Distributions. Any excess amounts contributed by the Manager will be distributed in accordance with the provisions set forth under "Distributions of Cash From Operations" above.

Repurchases of Units

Under certain circumstances, the Company may, in the sole discretion of the Manager and upon the request of a Member, repurchase the Units held by such Member.

The purchase price for such Units will be determined in the sole discretion of the Manager.

The Company will limit transfers of Units to transfers of not more than 2% of the total Units per year other than transfers for the following: (i) transfers as a result of death or incompetency, (ii) transfers between family members, (iii) transfers pursuant to the Company's repurchase plan (which will permit repurchases of up to 10% of the Units per year other than private transfers under Treasury Regulations Section 1.7704-1(e)), (iv) other transfers that qualify as "private transfers" as set forth in Treasury Regulations Section 1.7704-1(e) or (v) other transfers that will not result in the Company being treated as a publicly traded partnership as determined by the Manager in its sole discretion. Any Units owned by the Manager or its Affiliates may not be repurchased by the Company.

Neither the Company nor the Manager will have any liability to any Member for any damages resulting from or related to the Member's presentment of the Member's Units. Further, Members will have complete responsibility for payment of all taxes, assessments and other applicable obligations resulting from the Company's repurchase of Units.

Authority of the Manager

The Manager has the exclusive authority to manage and control all aspects of the business of the Company. In the course of its management, the Manager may, in its sole discretion, employ such persons, including, under certain

circumstances, Affiliates of the Manager, as it deems necessary for the operation and management of the Company; provided, however, that the Members have the power to remove the Manager by a Majority Vote but only for (i) fraud, gross negligence or willful misconduct as determined by a final, non-appealable judgment of a court of competent jurisdiction or (ii) upon the occurrence of an Event of Insolvency with respect to the Manager. Such removal of the Manager will not be effective until the Manager receives in cash the full value of its membership interest in the Company and all lenders have released the Manager from all liabilities and obligations under any loan to the Company or relating to the JVs, if any.

Voting Rights of Members

Although they are not permitted to take part in the management or control of the business of the Company, the Members have the right to vote on the following matters:

(1) Removal of the Manager as provided in the LLC Agreement;

(2) Admission of the Manager or election to continue the business of the Company after a Manager ceases to be a Manager when there is no remaining Manager;

(3) Amendment of the LLC Agreement (unless otherwise provided therein);

(4) Any merger or combination of the Company or roll-up of the Company; and

(5) Election to continue the Company in the event of a Dissolution Event.

The Manager may, at any time, call a meeting of the Members, or may call for a vote of the Members without a meeting on matters on which the Members are entitled to vote. In addition, a meeting of the Members will be called by the Manager upon receipt of written request therefore by Members holding more than 10% of the outstanding Units.

Deemed Approval

Whenever a Majority Vote is required, the Company will provide the Members with notice of such required vote, and the Members will have 15 days after the date such notice is sent by the Company to approve or disapprove of the matter. If a Member does not disapprove of the matter within such 15-day period, the Member will be deemed to have voted in accordance with the vote recommended by the Manager.

Assignment of Units

Members may not sell, assign, hypothecate, encumber or otherwise transfer any part (but not less than the lesser of (i) 1 Unit or (ii) the Member's entire interest in the Company) or all of their Units except with the written consent of the Manager and satisfaction or waiver of the requirements set forth in the LLC Agreement.

Reimbursement of Expenses

The Manager (or its affiliates) will be reimbursed by the Company for all of the costs and expenses of the Company's operations, including, without limitation, the following costs and expenses: (i) all Organization and Offering Expenses advanced or otherwise paid by the Manager, (ii) all costs of personnel employed by the Company and directly involved in the Company's business, (iii) all compensation due to the Manager or its Affiliates, (iv) all costs of personnel employed by the Manager or its Affiliates and directly involved in the business of the Company, (v) all costs of borrowed money, taxes and assessments on the Property and other taxes applicable to the Company, (vi) legal, accounting, audit, brokerage, and other fees, (vii) fees and expenses paid to independent contractors, mortgage bankers, real estate brokers, and other agents, (viii) costs of leasing, acquiring, owning, improving, operating and disposing of Property, (ix) expenses incurred in connection with the alteration, maintenance, repair, remodeling, refurbishment, leasing and operation of Property, (x) all expenses incurred in connection with the maintenance of Company books and records, the preparation and dissemination of reports, tax returns or other information to the Members and the making of Distributions to the Members, (xi) expenses incurred in preparing and filing reports or other information with appropriate regulatory agencies, (xii) expenses of insurance as required in connection with the business of the Company, other than any insurance insuring the Manager against losses for which it is not entitled to

be indemnified under the LLC Agreement, (xiii) costs incurred in connection with any litigation in which the Company may become involved, or any examination, investigation, or other proceedings conducted by any regulatory agency, including legal and accounting fees, (xiv) the actual costs of goods and materials used by or for the Company, (xv) the costs of services that could be performed directly for the Company by independent parties such as legal, accounting, secretarial or clerical, reporting, transfer agent, data processing and duplicating services but which are in fact performed by the Manager or its Affiliates, but not in excess of the amounts which the Company would otherwise be required to pay to independent parties for comparable services in the same geographic locale, (xvi) expenses of Company administration, accounting, documentation and reporting, (xvii) expenses of revising, amending, modifying, or terminating the LLC Agreement, (xviii) the portion of the Manager's payroll expenses allocable to work performed for the Company and (xix) all other costs and expenses incurred in connection with the business of the Company including travel to and from the Projects; provided, however, the Manager and its Affiliates will not be reimbursed for overhead expenses incurred in connection with the Company, including but not limited to rent, utilities, use of equipment and other administrative items. Notwithstanding the foregoing, the Manager and its Affiliates will be reimbursed for all costs expended in the acquisition and due diligence of the Projects and any potential Projects, including down payments, closing costs, travel, legal, environmental assessments, property condition reports and other studies, surveys, escrow deposits and costs, plus interest at the Manager's cost of funds on advances made for the above purposes.

Liabilities of Members

A Member's capital is subject to the risks of the Company's business. Members are not permitted to take part in the management or control of the business of the Company. Assuming that the Company is operated in accordance with the terms of the LLC Agreement, a Member will not be liable for the liabilities of the Company in excess of its total Capital Contributions and share of undistributed profits. A member is obligated to return a distribution from a limited liability company to the extent that at the time of the distribution the member knew that after giving effect to the distribution, all liabilities of the limited liability company, other than liabilities to members on account of their interest in the limited liability company and nonrecourse liabilities which the recourse of creditors is limited to the specified property of the limited liability company, exceed the fair value of the limited liability company's assets, provided that the fair value of any property that is subject to a nonrecourse liability is included in the limited liability company's assets only to the extent that the fair value of the property exceeds the nonrecourse liability. The LLC Agreement provides that the Members will not be liable for the debts, liabilities, contracts or other obligations of the Company.

Liabilities of the Manager

The Manager will not have liability for the debts and obligations of the Company after exhaustion of Company assets and the Manager will not have an obligation to restore any deficit in its Capital Account upon liquidation of the Company.

Books and Records

At all times during the term of the Company, the Manager is required to keep true and accurate books of account of all of the financial activities of the Company. Such books of account will be kept on the accrual basis of accounting and they will be open for inspection by the Members or their representatives at any reasonable time during normal business hours; provided, however, any inspection, examination and copying of the Company's books of account (i) will only be for any purpose reasonably related to the requesting Member's interest as a Member as determined by the Manager in the Manager's sole discretion and (ii) will be limited to information regarding the business and financial condition of the Company. Notwithstanding the foregoing, in no event will the Manager be required to provide any Member with access to any personal information with respect to the Members, including, but not limited to, names, addresses, phone numbers, e-mail addresses, number of Units owned and Capital Contributions, and the Manager will not disclose such information to any Member.

Amendments

The LLC Agreement may be amended by the Manager with the consent of the Majority Vote, except that the Manager may amend the LLC Agreement without action by the Members to (i) modify the allocation provisions of the LLC Agreement to comply with Code Section 704(b), (ii) add to the representations, duties, services or obligations

of the Manager or any Affiliates for the benefit of the Members, (iii) cure any ambiguity or mistake, correct or supplement any provision in the LLC Agreement that may be inconsistent with any other provision, or make any other provision with respect to matters or questions arising under the LLC Agreement that will not be inconsistent with the provisions of the LLC Agreement, (iv) amend the LLC Agreement to reflect the addition or substitution of Members or the reduction of the Capital Accounts upon the return of capital to the Members, (v) minimize the adverse impact of, or comply with, any "plan assets" for ERISA purposes, (vi) reconstitute the Company under the laws of another state if beneficial to the Company, (vii) execute, acknowledge and deliver any and all instruments to effectuate the foregoing, including the execution, acknowledgment and delivery of any such instrument by the attorney-in-fact for the Manager under a special or limited power of attorney and to take all such actions in connection therewith as the Manager deems necessary or appropriate with the signature of the Manager acting alone, (viii) make any changes to the LLC Agreement required by a lender, (ix) change the name and/or principal place of business of the Company or (x) decrease the rights and powers of the Manager (so long as such decrease does not impair the ability of the Manager to manage the Company and conduct its business affairs). No amendment will be adopted pursuant to (ix) or (x) above without the consent of the Members unless the adoption thereof (a) is for the benefit of and not adverse to the interests of the Members and (b) does not affect the limited liability of the Members.

Prohibitions

The LLC Agreement provides that the Manager may not receive any rebate, kick-back or give-up in connection with the operation of the Company, nor may the Manager participate in any reciprocal business arrangements that would circumvent the restrictions set forth in the LLC Agreement prohibiting certain types of dealings between the Manager, its Affiliates and the Company. Neither the Manager nor any Affiliates will directly or indirectly pay or award any finder's fees, commissions or other compensation to any person engaged by a prospective investor for investment advice as an inducement to such advisor to advise the purchase of an interest in the Company; provided, however, that the Manager will not be prohibited from paying underwriting or marketing commissions to registered broker-dealers or other properly licensed persons for their services in marketing Units as provided for in the LLC Agreement.

MATERIAL FEDERAL INCOME TAX CONSIDERATIONS

The following discussion applies only to persons purchasing Units directly from the Company. Prospective investors should not view the following analysis as a substitute for careful tax planning, particularly because the income tax consequences of an investment in the Units are uncertain and complex. Also, the tax consequences will not be the same for all taxpayers. Prospective investors should be aware that the following discussion necessarily condenses or eliminates many details that might adversely affect some investors.

The discussion of the tax aspects contained in this Memorandum is based on the law presently in effect and certain proposed Treasury Regulations. Congress could make substantial changes to the Code in the future, some of which may have considerable negative income tax consequences with respect to an investment in the Company. It is impossible to predict the impact that any tax reform bill will have on the Company and the Members and any changes could materially reduce any income tax benefits to the Members.

Counsel will not prepare or review the Company's income tax information return, which will be prepared by management and independent accountants for the Company. The Company will make a number of decisions on tax matters, such as the expensing or capitalizing of particular items, the proper period over which capital costs may be depreciated or amortized and the allocation of acquisition costs between real property improvements and personal property. Such matters will be handled by the Company, often with the advice of independent accountants retained by the Company and will not usually be reviewed with counsel. The Manager may make such elections for federal and state income tax purposes as it deems appropriate, and the fiscal year of the Company will be the calendar year.

There is uncertainty concerning certain of the tax aspects discussed herein, and there can be no assurance that some of the deductions claimed or positions taken by the Company will not be challenged by the IRS. An audit of the Company's information return may result in an increase in the Company's gross income, in the disallowance of certain deductions and in an audit of the income tax returns of the Members, which could result in adjustments to non-Company items of income, deduction or credit. Final disallowance of such deductions could adversely affect the Company and, therefore, the Members. In addition, state tax authorities may audit the Company's tax returns, which could result in unfavorable adjustments for the Members. Investors might be faced with substantial legal and accounting costs in resisting a challenge by the IRS to the tax treatment of an investment in the Company, even if the IRS's challenge proves unsuccessful.

Prospective investors should not purchase Units solely for the purpose of obtaining tax shelter for income from sources other than the Company. The Company will not provide any such tax shelter. Even if, as a Member, an investor is entitled to deduct its share of the Company's losses on its personal tax return, any such deductions may be relatively small in relation to the amount invested in the purchase of Units. A significant portion of the amount invested may be allocated to the purchase of land, which, unlike buildings and other improvements, is not depreciable for income tax purposes, or other nondeductible expenses. Prospective investors are urged to consult their own tax advisors as to the tax consequences of an investment in Units.

The Company will own interests in the JVs. The JVs will own the Projects. Generally, because the JVs will elect to be treated as a partnership for Federal Income Tax purposes, the tax consequences related to the ownership of the Projects will pass through to the Company.

Tax Consequences Regarding the Company

Status as a Partnership. Treasury Regulations provide that a limited liability company will be classified as a partnership for federal income tax purposes as long as an election is not made to treat the limited liability company as an association taxable as a corporation. The Manager has represented that no such election has been or will be made for the Company, and is not anticipated for any of the JVs.

If the Company and/or the JV is treated as a partnership for federal income tax purposes, each Member, or Member of the JV, will be required to include in income its distributive share of the Company's or the JVs' income, gain, loss, deductions or credits. Consequently, each Member will be subject to tax on its distributive share of Company income or JV income, whether or not the Company or a JV actually distributes cash in an amount equal to the income.

If for any reason the Company and/or a JV is treated as a corporation for tax purposes, the Company and/or the JV would be required to pay income tax at the corporate tax rates on its taxable income, thereby reducing the amount of cash available for distribution to Members. In addition, any distribution by the Company to the Members would be taxable to them as dividends, to the extent of current and accumulated earnings and profits, or treated as gain from the sale of their Company interests, to the extent such distributions exceeded both current and accumulated earnings and profits of the Company and the Member's tax basis for its Units.

Anti-Abuse Rules. Generally, partnerships are not liable for income taxes imposed by the Code. The Treasury Regulations issued under Code Section 701 set forth broad "anti-abuse" rules applicable to partnerships. These rules authorize the Commissioner of the IRS to recast transactions involving the use of partnerships either to reflect the underlying economic arrangement or to prevent the use of a partnership to circumvent the intended purpose of any provision of the Code. The Manager is not aware of any fact or circumstances relating to the Company and/or a JV that could cause the Commissioner of the IRS to exercise its authority under these rules. If any of the transactions entered into by the Company or a JV were to be re-characterized under these rules, or the Company or a JV were to be recast as a taxable entity under these rules, it could have a material adverse effect on the Members. The application of the "anti-abuse" rules is a question of fact. Consequently, counsel has expressed no opinion on the applicability of the "anti-abuse" rules to the Company.

Publicly Traded Partnership. Certain publicly traded partnerships are taxed as corporations for federal income tax purposes. Publicly traded partnerships are defined as partnerships whose interests are (i) traded on an established securities market or (ii) readily tradable on a secondary market or the substantial equivalent thereof. The Units will not be traded on an established securities market. The determination as to whether the Company will be considered "publicly traded" will depend on the number and type of subsequent transfers of Units. The LLC Agreement provides that any transfer of Units will not be effective unless and until the Manager determines that such transfer will not cause the Company to be considered a publicly traded partnership under the applicable IRS guidelines. It is unclear whether the Manager will be able to effectively limit possible transfers. However, a partnership, even though "publicly traded," will not be treated as a corporation for tax purposes if 90% or more of its gross income consists of "qualifying income." Qualifying income includes interest, dividends, real property rents, gain from the disposition of real property and income and gains from certain natural resource activities. The Company will be engaged in the rental, and sale of multifamily residential properties. The Manager will try to operate the Company so that at least 90% of the Company's income will be from rent from real property (and not personal property), and the sale of real property. There can be no assurance that the Company will meet the 90% "qualifying income" test.

The Company and the Members will be subject to additional rules if the Company is publicly traded but the Company is not taxed as a corporation. The net income from publicly traded partnerships not taxed as corporations is not treated as passive income for purposes of the passive loss rules. Each partner in a publicly traded partnership treats the income or loss from the partnership as separate from the income or loss from any other publicly traded partnership and separate from any other income or loss from passive activities. Net income from publicly traded partnerships is treated as portfolio income under the passive loss rules. In Treasury Notice 88-75, the IRS stated that forthcoming regulations will treat net passive income of a publicly traded partnership as investment income for purposes of the limitation on investment interest expense. Net losses attributable to a partner's interest in a publicly traded partnership are not allowed against the partner's other income but instead are suspended and carried forward. Such losses can be applied against the net income from the partnership in the next tax year (or the next succeeding tax year in which the holder of the interest in the partnership has net income from the partnership). Upon a complete disposition (within the meaning of the passive loss rules) of the partner's entire interest in a publicly traded partnership, any remaining suspended losses are allowed. The question of whether the Company will be treated as a publicly traded partnership is a question of fact and counsel has expressed no opinion on this issue.

20% QBI Deduction. The deduction for noncorporate taxpayers is generally equal to 20% of the taxpayer's domestic "qualified business income" derived from carrying on qualified businesses through partnerships, S corporations and sole proprietorships. This deduction (the "20% QBI Deduction") has the effect (subject to various limitations) of reducing the maximum Federal income tax rate on qualified business income from 37% to 29.6%. Qualified business income does not include items relating to investment activities, such as capital gains, dividends and interest income (other than interest income earned in a trade or business). The 20% QBI Deduction is subject to various limitations based on, among other things, (i) wages paid with respect to each qualified trade or business; (ii) the sum of 25% of the wages paid with respect to the qualified trade or business plus 2.5% of the unadjusted basis

of depreciable property used in the qualified trade or business; and (iii) the taxable income of the taxpayer (determined without regard to the deduction).

Under the 20% QBI Deduction, the deduction is only available for income that a taxpayer derives from carrying on a trade or business. The Treasury Regulations do not define what is a trade or business, but instead incorporate the standard for deducting ordinary and necessary expenses paid or incurred in carrying on a trade or business under Code Section 162. Because the application of this standard to rental real estate activities is unclear, the IRS issued a safe harbor under which a rental real estate enterprise may be treated as a trade or business solely for purposes of the 20% QBI Deduction. It is anticipated that the Company will satisfy the requirements to be eligible for the safe harbor and will be treated as carrying on a trade or business for purposes of the 20% QBI Deduction. Investors should contact their own tax advisors regarding qualification for the 20% QBI Deduction.

Although it is generally anticipated that an investment in the Company by a Member may benefit from the 20% QBI Deduction, at present it is impossible to predict whether the deduction will benefit the Members to any material extent. The Company is not anticipated to have any employees or pay W-2 wages, so the amount of the deduction in any year (if any) will depend upon a combination of the following: (i) the qualified business income of the Company allocable to the Member, (ii) the cost basis of depreciable property held by the Company and (iii) the aggregate taxable income of the ultimate individual taxpayer claiming the credit.

Losses and Credits from Passive Activities. Losses from passive trade or business activities generally may not be used to offset "portfolio income," i.e., interest, dividends, royalties, salary or other active business income. Deductions from passive activities may generally be used to offset income from passive activities. Interest deductions attributable to passive activities are treated as passive activity deductions, and not as investment interest. Thus, such interest deductions are subject to limitation under the passive activity loss rule and not under the investment interest limitation. Credits from passive activities generally are limited to the tax attributable to the income from passive activities. Passive activities include (i) trade or business activities in which the taxpayer does not materially participate, which would include holding an interest as a Member and (ii) rental activities. Thus, a Member's share of the Company's Net Income and Net Loss will, in all likelihood, constitute income and loss from passive activities and will be subject to such limitation.

Losses (or credits that exceed the regular tax allocable to passive activities) from passive activities that exceed passive activity income are disallowed and can be carried forward and treated as deductions and credits from passive activities in subsequent taxable years. Disallowed losses from an activity, except for certain dispositions to related parties, are allowed in full when the taxpayer disposes of its entire interest in the activity in a taxable transaction.

At-Risk Rules. A Member that is an individual or closely held corporation will be unable to deduct its distributive share of Company Net Loss, if any, to the extent such Net Loss exceeds the amount such Member has "at-risk." A Member's initial amount at-risk will equal the sum of (i) the amount of money invested by the Member in the Company, (ii) the basis of any property contributed by such Member to the Company and (iii) the amount of borrowed funds used in Company activities to the extent that the Member is personally liable with respect to such indebtedness.

A Member can generally include in the amount at-risk such Member's share of qualified nonrecourse financing if the Company holds real property. It is anticipated that the loans will be considered qualified nonrecourse financing and therefore, the Members should be considered "at-risk" for the Member's share of the loans. However, if the actual terms are not as anticipated, the Members may not be able to use the loans in their "at-risk" basis.

A Member's amount at-risk will be reduced by the amount of any cash distributed to such Member and the amount of Net Loss allocated to such Member, and will be increased by the amount of Net Income allocated to such Member. Net Loss not allowed under the at-risk rules may be carried forward to subsequent taxable years and used when the amount at-risk increases.

Excess Business Loss Limitation. Code Section 461(l) is a limitation on the ability of noncorporate taxpayers to deduct "excess business losses," which generally are losses from carrying on trade or business activities in excess of a specified amount. This limitation applies only after the passive loss limitations (so only affects an individual's "active" losses) and, in the case of a trade or business carried on by a partnership or S corporation, is applied at the partner or S corporation shareholder level. The excess business loss limitation may, in addition to

passive activity loss and at-risk and basis limitations, limit the ability of the Members to utilize Net Losses allocated to them from the Company.

Allocation of Net Income and Net Loss. Net Income and Net Loss will be allocated as set forth in the LLC Agreement. Although such allocations are permitted under partnership law, the Code and Treasury Regulations require that such allocations satisfy certain requirements. Code Section 702 provides that, in determining income tax, a Member must take into income its "distributive share" of the Company's income, gain, loss, deduction or credit. The Members may specially allocate their distributive shares of such profits and losses, thus redistributing tax liability, by provision in the LLC Agreement. However, the IRS will disregard such an allocation, and will determine a Member's distributive share in accordance with the Member's interest in the Company, if the allocation lacks "substantial economic effect."

Treasury Regulations regarding the allocation of items of partnership income, gain, loss, deduction and credit under Code Section 704(b) are concerned whether an allocation of partnership tax items has "substantial economic effect." Under the Treasury Regulations, an allocation has economic effect only if, throughout the term of the partnership, the partners' capital accounts are maintained in accordance with the Treasury Regulations, liquidation proceeds are to be distributed in accordance with the partners' capital account balances, and any partner with a deficit capital account following the distribution of liquidation proceeds is required to restore the amount of that deficit to the Company for payment to creditors or distribution to partners in accordance with their positive capital account balances. If the partners' obligations to restore deficit capital account balances are limited, the operating agreement must contain a "qualified income offset" provision, as described in the Treasury Regulations.

The Treasury Regulations also require that the economic effect of the allocation be "substantial." In general, the economic effect of an allocation is "substantial" if there is a reasonable possibility that the allocation will affect substantially the dollar amounts to be received by the partners from the partnership, independent of tax consequences. The economic effect of an allocation is not substantial, however, if, at the time the allocation becomes part of the operating agreement (i) the after-tax economic consequences of at least 1 partner may, in present value terms, be enhanced compared to such consequences if the allocation were not contained in the operating agreement, and (ii) there is a strong likelihood that the after-tax economic consequences of no partner will, in present value terms, be substantially diminished compared to such consequences if the allocation were not contained in the operating agreement. In determining the after-tax economic benefit or detriment to a partner, tax consequences that result from the interaction of the allocation of such partner's tax attributes that are unrelated to the partnership will be taken into account.

The Treasury Regulations provide that allocations of loss or deduction attributable to nonrecourse liabilities of a partnership ("nonrecourse deductions") cannot have economic effect because, in the event there is an economic burden that corresponds to such an allocation, the creditor alone bears that burden. Thus, nonrecourse deductions must be allocated in accordance with the partners' interests in the partnership. Allocations of nonrecourse deductions are deemed to be made in accordance with the partners' interests in the partnership if, and only if, the following conditions are satisfied:

1. Throughout the full term of the partnership, the partners' capital accounts are maintained in accordance with the Treasury Regulations, and upon liquidation of the partnership, liquidating distributions are required to be made in accordance with the positive capital account balances of the partners.

2. Beginning in the first taxable year in which there are nonrecourse deductions and thereafter throughout the full term of the partnership, the operating agreement provides for allocations of nonrecourse deductions among the partners in a manner that is reasonably consistent with allocations, which have substantial economic effect, of some other significant partnership item attributable to the property securing nonrecourse liabilities of the partnership.

3. Beginning in the first taxable year of the partnership in which the partnership has nonrecourse deductions and thereafter throughout the full term of the partnership, the operating agreement contains a "minimum gain chargeback," as defined in the Treasury Regulations.

4. All other material allocations and capital account adjustments under the operating agreement are recognized in accordance with the Treasury Regulations.

The LLC Agreement requires that the Members' Capital Account balances be maintained in accordance with the Treasury Regulations. The LLC Agreement contains a "minimum gain chargeback" provision, and the nonrecourse deductions are to be allocated under the LLC Agreement in a manner that is reasonably consistent with allocations, i.e., in accordance with allocations of Net Income. Members are not required to restore a deficit Capital Account balance. The LLC Agreement, however, contains a "qualified income offset" provision.

Transfer of Units. For federal income tax purposes, items of income, gain, loss, deduction or credit of the Company may be allocated to a Member only if they are received, paid or incurred by the Company during that portion of the year in which the Member is treated as a partner of the Company for tax purposes.

If any Member's interest in the Company changes at any time during the Company's taxable year, each Member's share of each item of Company income, gain, loss, deduction and credit is to be determined by using any method prescribed by Treasury Regulations that takes into account the varying interests of the Members in the Company during the taxable year. Treasury Regulations under Code Section 706 generally provide that where partners' interests vary during the year, partnership items can be allocated under one of two methods – either an interim closing of the books or a daily proration. However, specifically enumerated "extraordinary items," including gains from sales of assets, may not be prorated and must be allocated among the partners based upon their interests in the partnership as of the beginning of the day on which the extraordinary income item is taken into account by the partnership. The Treasury Regulations also permit partnerships to select among daily, semi-monthly or monthly conventions as to when changes in partners' interests should apply. For example, under the monthly convention, a change in the partners' interests that occurs between the 1st and 15th days of a month is deemed to occur on the first day of the month; a change between the 16th and last day of the month is deemed to occur at the end of the last day of the month.

The Net Income or Net Loss allocable to any Units transferred during any year will be allocated among the persons who were the holders thereof during such year in proportion to the number of months that each such holder was recognized as the owner of such Units during the year applying the monthly convention. A holder who purchases Units during the first 15 days of a month will receive allocations of Net Income and Net Loss relative to such month. A holder who purchases Units on or after the 16th day of the month will be treated for income tax allocation purposes as acquiring the Units on the 1st day of the following month. A Member will be required to report a share of the Company's Net Income or Net Loss during the period of such Member's ownership on its personal income tax return even though the Member receives no distributions with respect to such period of ownership and/or the amount distributed to such Member has no relationship to the amount that it is required to report.

Calculation of a Member's Adjusted Basis. Each Member's adjusted basis in its Units will be equal to such Member's cash Capital Contributions increased by (i) the amount of its share of the Net Income of the Company and (ii) its share of nonrecourse indebtedness to which Company Property is subject, if any. A Member's share of nonrecourse liabilities is the sum of (i) the Member's share of Company minimum gain, (ii) the amount of any taxable gain that would be allocated to the Member under Code Section 704(c) and (iii) the Member's share of the excess nonrecourse liabilities. The LLC Agreement specifies that the excess nonrecourse liabilities will be allocated in proportion to the outstanding Units.

A Member's basis in its Units is reduced, but not below zero, by (i) the amount of the Member's share of Company Net Loss and expenditures that are neither properly deductible nor properly chargeable to the Member's Capital Account and (ii) the amount of cash distributions received by the Member from the Company. For purposes of calculating a Member's adjusted basis in its Units, any reduction in the amount of Company nonrecourse indebtedness will be treated as a cash distribution to such Member in accordance with the Member's allocable share of such indebtedness and accordingly will reduce the basis in such Member's Units.

The Treasury Regulations employ an economic risk of loss analysis to determine whether a Company liability is a recourse or nonrecourse liability and to determine the Members' shares of any liability of the Company. Under the Treasury Regulations, a Company liability is a recourse liability to the extent that any partner or related person bears the economic risk of loss for that liability. A Member's share of any recourse liability of the Company equals the portion, if any, of the economic risk of loss for such liability that is borne by the Member.

A Member bears the economic risk of loss for a Company liability to the extent that the Member (or a related person) would bear the economic burden of discharging the obligation represented by that liability if the Company

were unable to do so (reduced by any right of reimbursement). In the case of a limited liability company, such as the Company, a member generally will not bear the economic risk of loss for any Company liability because the member has no obligation to contribute additional capital to the Company.

If no Member bears the economic risk of loss for a Company liability, the liability is a nonrecourse liability of the Company. An exception to this rule applies in the case of a member (or related person) who makes a nonrecourse loan to the Company. In such a case, the lending member or related person is considered to bear the economic risk of loss for such liability.

Permanent loans for the Projects are anticipated to be nonrecourse to the JVs. It is anticipated that the lenders' sole recourse will be the Projects and collateral securing the Projects. Although it is expected that there will be typical nonrecourse carve-outs for the loans for which the JVs will be personally liable, Members should be entitled to include in their tax basis their share of the nonrecourse loans if the nonrecourse provisions in the loans are as anticipated. If the loans are recourse, the Members cannot include the amount of the loans in their adjusted basis and the deductions attributable to the loans will be allocated to the Members that bear the economic risk of loss.

It is possible that a loan may be obtained by a JV that is recourse to the Manager or its Affiliates. In that event, the Manager, and not the Members, will be allocated the debt applicable to any such loan.

To the extent that a Member's share of Company Net Loss exceeds the adjusted basis of such Member's Units at the end of the Company year in which such Net Loss occurs, such excess Net Loss cannot be used in that year by the Member for any purpose, but is allowed as a deduction at the end of the first succeeding Company taxable year, and subsequent Company taxable years, to the extent that the adjusted basis of such Member's Units at the end of any such year exceeds zero (before reduction by such excess Net Loss from a prior year).

Treatment of Cash Distributions from the Company. The LLC Agreement provides for cash distributions resulting from operations of the Company. Cash distributions (including for federal income tax purposes, a Member's share of any reduction in nonrecourse indebtedness) made to a Member, other than those made in exchange for or in redemption of all or part of a Member's Units, will generally not affect the calculation of a Member's distributive share of Net Income or Net Loss from the Company. Such distributions are generally first applied against and reduce the Member's adjusted basis in its Units. To the extent that such distributions are so applied against and reduce the adjusted basis of the Member's Units, they will not give rise to a realization of income, gain or loss by the Member. Cash distributions in excess of a Member's adjusted basis in its Units will result in the recognition of gain to the extent of such excess. Ordinarily, any such recognized gain will be treated as gain from the sale or exchange of a Unit. See "Treatment of Gain or Loss on Disposition of Units" below.

Net Income in Excess of Cash Distributions. It is possible that a Member's share of the Company Net Income may exceed the cash distributed to the Member with respect to its Units and such Member's tax liability on that share may even exceed such distribution.

Treatment of Liquidating Distributions. Generally, upon liquidation or termination of the Company, gain will be recognized by a Member only to the extent that cash is distributed (including the Member's share of any reduction in Company nonrecourse liabilities) in excess of such Member's adjusted basis in its Units at the time of distribution.

Treatment of Gain or Loss on Disposition of Units. It is not expected that any public market will develop for the Units. Furthermore, Members may not be able to liquidate their Units promptly at reasonable prices because (i) any transferee of Units will be required to comply with the minimum purchase requirements and the investor suitability requirements imposed by the transferee's state of residence or by the Company and (ii) all assignees of Units may be admitted as Substituted Members only with the consent of the Manager.

Any gain or loss realized by a Member upon the sale or exchange of its Units will generally be treated as capital gain or loss, provided that such Member is not deemed to be a "dealer" in such securities. However, any portion of the gain that is attributable to unrealized receivables (which includes, for these purposes, depreciation recapture attributable to the Projects) or inventory items (which will include Projects held for resale) will generally be treated as ordinary income. If the Member's holding period for the Units sold or exchanged is more than 1 year, the portion of any gain realized that is capital gain will be treated as long-term capital gain.

A transferor Member must notify the Company of a sale or exchange of its Units involving unrealized receivables or inventory. Once the Company is so notified, it must report to the IRS the transferor and the transferee on the sale or exchange. Penalties will apply to the failure by the transferor Member to report to the Company, and the failure by the Company to report to the IRS the transferor and the transferee.

In determining the amount realized upon the sale or exchange of Units, a Member must include, among other things, the Member's share of Company indebtedness. Therefore, it is possible that the gain realized on a Member's sale of Units may exceed the cash proceeds of the sale, and, in some cases, the income taxes payable with respect to the gain realized on the sale may exceed such cash proceeds.

Sale or Other Disposition of Company Property. In general, if the interests in a Project constitutes a capital asset in the hands of a JV, any profit or loss realized by the JV on a sale or exchange (except to the extent that such profit represents depreciation recapture taxable as ordinary income) will be treated as capital gain or loss under the Code. Capital gain that is equal to or less than past depreciation (other than ordinary income recapture) taken on a Project will be taxed to individuals at 25%. Any additional capital gain attributable to property held more than 12 months will generally be taxed to individuals at a rate of up to 20%. If, however, it is determined that the Company is a "dealer" in real estate for federal income tax purposes, the gain or loss will not be capital gain or loss.

If a JV is deemed a "dealer" and a Project is not considered to be a capital asset or Code Section 1231 asset, any gain or loss on the sale or other disposition of the Project would be treated as ordinary income or loss. It is anticipated that the JV will acquire and hold the Project for investment purposes. In the event a JV holds any Project for resale, it is likely that the JV will be deemed a "dealer" with respect to the Projects held for resale and that income derived from the sale of the Project will be taxed as ordinary income. The question of "dealer" status is a question of fact to be determined at the time of the sale of the Projects. Consequently, counsel has expressed no opinion on this issue.

In determining the amount realized upon the sale, exchange or other disposition of a Project, the JV must include, among other things, the amount of any liability to which the Projects are subject. Furthermore, the JV may take back purchase money obligations as part of the consideration for the sale of the Projects. The JV may try to structure any such sale so as to qualify as an "installment sale" for federal income tax purposes, but there can be no assurance that any such sale could or would so qualify. Unless such sale qualifies as an "installment sale," the JV would generally be deemed to have received as proceeds of such sale the fair market value of such purchase money obligations.

Thus, the Company's gain on the disposition of any such property may exceed the cash proceeds, if any, of such disposition, and in some cases the income taxes payable by the Members with respect to such gain may exceed the cash proceeds, if any.

Depreciation and Cost Recovery. Current federal income tax law permits a JV to take depreciation deductions based on the entire cost of the depreciable improvements, even though such improvements are financed in part with borrowed funds if the Project is not held for resale. If, however, the purchase price of the Project interests and the nonrecourse liabilities to which interests in the Projects are subject are in excess of the fair market value of the Project, the JV will not be entitled to take depreciation deductions to the extent that deductions are derived from such excess. The Projects will be depreciated on a straight-line method, over 27.5 years, using the mid-month convention. Under the mid-month convention, property is treated as placed in service during the mid-point of the month.

Depreciation deductions can only be claimed for that portion of real property that is depreciable. Because land is not depreciable, an allocation must be made between the value of improvements on real estate and the underlying land. Depreciation will not be available with respect to any Projects before it is placed in service or with respect to inventory or property held for resale. The allocation of the purchase price between depreciable and nondepreciable items is a question of fact, and if the amount allocated by a JV to depreciable items is decreased and the amount allocated to nondepreciable items such as land is increased, the losses for federal income tax purposes will be decreased.

If a JV elects to be excluded from the Code Section 163(j) limitation on deductibility of business interest (discussed below), the JV will be required to depreciate all of its depreciable property used in such real estate trade or

business under ADS rather than the more favorable MACRS rules. The ADS life for residential real estate is 30 years. The use of ADS would have the effect of spreading out depreciation deductions over a longer period of time (thereby decreasing the amount of losses or increasing the amount of income allocated to the Members). The JVs have not made a determination of whether it will elect to be an excluded real estate trade or business for purposes of the Code Section 163(j) limitation on business interest.

Foreclosure. In the event of a foreclosure of a mortgage or deed of trust on a Project, the JV would realize gain, if any, in an amount equal to the excess of the outstanding mortgage over the adjusted tax basis of the Project, even though the JV might realize an economic loss upon such a foreclosure. In the event of a foreclosure relating to recourse debt, it will be treated as a discharge of indebtedness to the extent that the outstanding loan amount is greater than the fair market value of the property of the JV at the time of foreclosure. The Members could be required to pay income taxes with respect to such gain even though they receive no cash distributions as a result of such foreclosure.

Tax Elections. The JVs may make certain elections for federal income tax reporting purposes that could result in various items of income, gain, loss, deduction and credit being treated differently for tax and accounting purposes.

The Code provides for optional adjustments to the basis of Company or JV property for purposes of measuring both depreciation and gain upon distributions of Company or JV property (Code Section 734) and transfers of Units (Code Section 743) provided that a Company or JV election has been made pursuant to Code Section 754. The general effect of such an election is that transferees of Units are treated, for purposes of computing depreciation and gain, as though they had acquired a direct interest in the Company's or a JV's assets, and the Company and the JV are treated for such purposes, upon certain distributions to the Members, as though it had newly acquired an interest in the Company's or the JV's assets and therefore acquired a new cost basis for such assets. Any such election, once made, is irrevocable without the consent of the IRS.

As a result of the complexities and added expense of the tax accounting required to implement such an election, the Manager does not presently intend to make such an election, although it is empowered to do so by the LLC Agreement. Therefore, any benefits that might be available to the Members by reason of such an adjustment to basis will be foreclosed. In addition, a Member may have greater difficulty selling Units because the purchaser will obtain no current tax benefits from the investment to the extent that such investment exceeds its allocable share of the Company's basis in its assets and may be required to recognize taxable income to the extent of such excess, even though the purchaser does not realize any economic profit.

A partnership is required to reduce the tax basis of the partnership assets on a transfer of a partnership interest if the assignee would be allocated a net loss in excess of $250,000 upon the sale of all of the partnership assets at the time the partnership interest is transferred.

Accrual Method of Accounting. Code Section 461(a) provides that the amount of any deduction allowed under the Code will be taken for the taxable year that is the proper taxable year under the method of accounting used in computing taxable income. Consistent with Code Section 448, the Company will use the accrual method of accounting in calculating its income. In general, an accrual basis taxpayer may deduct an expense in the year that its obligation for the payment is absolutely fixed and the amount thereof can be determined with reasonable accuracy. The liability must also be binding and enforceable, and there must be reasonable belief on the part of the debtor that the liability will be paid and there must be economic performance of the particular item or transaction underlying the liability and deduction. If the liability arises out of another person's providing services to the Company, economic performance occurs as the services are provided. If the liability arises out of another person's providing property to the Company, economic performance occurs as the property is provided. If the liability arises out of the Company's use of property, economic performance occurs as the Company uses the property. If the liability requires the Company to provide property or services, economic performance occurs as the Company provides the property or services. If the IRS determines that the accounting method used by the Company does not clearly reflect income, the income of the Company, and consequently the Members, could be substantially and adversely impacted.

The Company will not be able to change its method of accounting in the future without the consent of the IRS. The IRS can withhold its permission and, even if it granted permission for a change in accounting method, the IRS would require conditions and adjustments to the Company's income that could be disadvantageous to the Members.

Accrual Method Taxpayers Required to Match Income Recognition to Accounting Treatment. Generally, an accrual method taxpayer is subject to the all events test for an item of gross income in order to recognize that income no later than the taxable year in which the income is taken into account as revenue in an applicable financial statement. Generally, an applicable financial statement is a financial statement of the taxpayer that is certified as being prepared in accordance with generally accepted accounting principles and is (i) included in a Form 10-K filed with the SEC or (ii) an audited financial statement used for a substantial nontax purpose, such as credit purposes or reporting to shareholders, partners, other proprietors or beneficiaries. Prospective investors that are accrual basis taxpayers should review such rules prior to an investment in Units.

Deductibility of Interest. Interest will accrue and be payable on loans used to acquire, and that are secured by, the Projects. The deduction of such interest is subject to limitations limited by various tax rules.

Limitation on Deductibility of Business Interest. There is a limitation on the deductibility of interest incurred in carrying on a trade or business. Under such limitation, the maximum deduction for business interest in any year is limited to the sum of (i) business interest income and (ii) 30% of adjusted taxable income. Adjusted taxable income is taxable income excluding (1) items not attributable to carrying on a trade or business, (2) business interest income and deductions, (3) the 20% deduction for qualified business income, (4) net operating losses and (5) any deduction allowable for depreciation, amortization, or depletion. Any disallowed interest may be carried forward indefinitely. In the case of a trade or business carried on by a partnership, the limitation is applied first at the partnership level, and any business interest in excess of the limitation applied at the partnership level is carried out to and accounted for by its partners individually.

Certain businesses are excluded from this limitation, including (i) a business having average annual gross receipts for the 3-taxable-year period below a threshold amount and (ii) a real property trade or business that irrevocably elects to be excluded. A real property trade or business is defined as "any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing or brokerage trade or business." A real property trade or business that elects to be excluded from the business interest limitation is required to depreciate its nonresidential real property, residential rental property and qualified improvement property (described above) under the alternative depreciation system of Code Section 168(g).

The JVs anticipate that it (and the Members, with respect to their investments in the Company) will be excluded from the new limitation on deductibility of business interest either (i) under the exclusion for small businesses or (ii) as a result of a JV electing to be excluded as a real property trade or business. Note, however, that one consequence of a JV electing to be excluded as a real property trade or business would be that all depreciable real property for the JV would need to be depreciated under the ADS, as discussed under "Depreciation and Cost Recovery" above.

Company and JV Tax Returns. The federal income tax returns of the Company and the JVs may be audited by the IRS and such an audit may result in adjustments to the various items reported by the Company or the JVs. For example, various deductions claimed by the Company or the JVs on their returns of income could be disallowed in whole or in part on audit, thereby resulting in an increase in the Net Income or a reduction in the Net Loss of the Company and a JV. The disallowance of such deductions in whole or in part could increase a Member's taxable income without the receipt of any additional cash distributions from the Company and the JV.

Partnership Audit Rules. Unless a partnership elects otherwise, taxes arising from audit adjustments are required to be paid by the partnership itself rather than by its partners. The Manager will have the authority to utilize, and intends to utilize, any exceptions available under the partnership audit rules so that the Members, to the fullest extent possible, rather than the Company itself, will be liable for any taxes arising from audit adjustments to the Company's taxable income. However, there can be no assurance that the Manager will be able to do so under all circumstances. Furthermore, it is unclear how any such elections may affect the procedural rules available to challenge any audit adjustment that would otherwise be available in the absence of any such elections. The Company will designate the Manager to be the partnership representative, and in this role, the Manager will have the sole authority to act on behalf of the Company with respect to dealings with the IRS under the partnership audit rules. The LLC Agreement requires each Member to indemnify and hold harmless the Company and the Manager from any liability with respect to a Member's share of any tax adjustment (including interest and penalties) whether or not the Member is a Member in the adjustment year.

Payments to the Manager and its Affiliates. The Manager and its Affiliates will receive various fees described elsewhere in this Memorandum. The tax treatment of these fees is set forth below.

The Company will pay certain Offering expenses. The Manager will treat certain of the expenses of the Offering as non-amortizable syndication costs, and these costs will be capitalized. These costs consist of the Selling Commissions and Expenses and certain of the Organization and Offering Expenses.

The Company will reimburse the Manager for actual costs incurred in furnishing certain administrative services and facilities to the Company, including accounting, data processing, duplication, transfer agent expenses, professional fees, recording, communication expenses and certain acquisition expenses of the JVs. The allocation of such costs between deductible expenses and nondeductible expenses will depend upon a determination to be made when such costs are actually incurred in the future, and counsel has expressed no opinion on the deductibility of such costs.

In addition, there are additional limits on the deductibility of payments between related parties. No deduction is allowed for a payment by an accrual basis taxpayer to a related cash basis recipient until such time as the recipient includes the payment in income. The definition of related party for purposes of this provision includes a partnership and any partner in the partnership. The Company will be on the accrual method of accounting. Therefore, if the Company accrues liabilities to related parties that are on the cash basis, no deduction will be allowed until payment to the related party is actually made.

Pre-Opening and Syndication Expenses

The IRS takes the position that, with the exception of costs relating to deductions under Code Sections 163 (interest), 164 (taxes) and 165 (losses), all costs incurred by a company before it begins operations should be capitalized under Code Section 263.

Regulations under Code Section 195 deem a taxpayer to have made an election to deduct, for the taxable year in which an active trade or business begins, an amount equal to the lesser of start-up expenses or $5,000. A start-up expenditure eligible for such deduction must be paid or incurred in connection with investigating the creation or acquisition of an active trade or business or paid or incurred in connection with creating an active trade or business. The $5,000 amount is reduced (but not below zero) by the amount by which the start-up expenditures exceed $50,000. The remaining start-up expenditures are amortized over 180 months beginning with the month in which the active trade or business begins. Such amounts must also be of a type which, if paid or incurred in connection with the expansion to an existing trade or business in the same field, would be allowable as a current deduction in the year paid or incurred. In the case of the Company, the eligibility for the election to amortize is made at the Company level.

Syndication expenses may not be deducted currently nor amortized. The determination as to whether expenses are start-up organization expenses or syndication expenses is a factual determination which will initially be made by the Company. The IRS could challenge the Company's allocations between organization and syndication expenses. Consequently, expenses that are treated as subject to amortization could be recharacterized as nondeductible syndication expenses.

Investment by Qualified Plans, IRAs and Tax–Exempt Entities - Unrelated Business Taxable Income

"Qualified Plans" (i.e., any pension, profit sharing or stock bonus plan that is qualified under Code Section 401(a), but excluding individual retirement accounts), IRAs and certain other tax-exempt entities ("Tax-Exempt Entities"), although generally exempt from federal income taxation under Code Section 501(a), nevertheless are subject to tax to the extent that their UBTI exceeds $1,000 during any tax year. Generally, income from property that is "debt financed property" will result in UBTI. Debt financed property is generally defined to mean any property as to which there is "acquisition indebtedness." The Company will generate UBTI as a result of debt financing or in the event a JV is deemed to hold a Project for resale. Counsel has expressed no opinion on whether, or to what extent, the Company income will be considered UBTI.

Qualified Plans (but not IRAs or Tax-Exempt Entities) and certain educational institutions may, under a special rule set forth in Code Section 514(c)(9), avoid the characterization of their distributive share of income from debt financed real estate (but not real property held for resale) of a partnership as UBTI unless any of the following

factors apply: (i) the price for the acquisition or improvement of the real property is not a fixed amount determined as of the date of the acquisition or the completion of the improvements; (ii) the amount of indebtedness or any other amount payable with respect to such indebtedness, or the time for making any payments of any such amount, is dependent, in whole or in part, upon any revenue, income, or profits derived from such real property; (iii) the real property is at any time after its acquisition leased to the person selling such property or certain persons related to the seller; (iv) the real property is acquired from, or is at any time after the acquisition leased to, certain related persons; (v) any person described in clause (iii) or (iv) provides financing in connection with the acquisition or improvements; or (vi) none of the following is true: (a) all of the partners are "qualified organizations;" (b) each allocation to a partner that is a qualified organization is a "qualified allocation;" or (c) the "fractions rule" in Code Section 514(c)(9)(E) is met. There is uncertainty regarding the application of the "fractions rule." The Manager has tried to comply with the "fractions rule" under Code Section 514(c)(9) and believes the Company complies with the "fractions rule." If a Qualified Plan purchases Units at a discount pursuant to the LLC Agreement, the "fractions rule" will not be complied with and the Code Section 514(c)(9) exception will not be available. Further, certain of the factors listed above may apply to the Company's acquisition of interests in JVs and in such case, the Code Section 514(c)(9) exception to UBTI will not be available. It is likely that sales of any Project held for resale will cause the Company to be treated as a dealer in real estate for federal income tax purposes with respect to such sales, and income attributable to such sales will be treated as UBTI. Further, a portion of the income attributable to operating the Projects may be UBTI.

If the receipt of UBTI from the Company will have an adverse impact on an investor, such investor should consult its own tax advisor before investing in the Company. If a Qualified Plan's, IRA's or Tax-Exempt Entity's share of the UBTI from the Company and other investments exceeds $1,000 during any tax year, the Qualified Plan, IRA or Tax-Exempt Entity will be required to pay taxes on such UBTI. Whether a Qualified Plan's, IRA's or Tax-Exempt Entity's UBTI will exceed this $1,000 exclusion in any year will depend upon whether or to what extent the Company and the JVs qualifies for the exception, the actual operations of the Company and the JVs, the size of the Qualified Plan's, IRA's or Tax-Exempt Entity's investment in the Company, the taxable income of the Company and the amount of such Qualified Plan's, IRA's or Tax-Exempt Entity's UBTI from other investments. An allocable portion of the JVs' income directly associated with debt financed property reduced by an allocable portion of deductions (computing depreciation on a straight-line basis) directly associated with such debt financed property will be treated as UBTI (subject to the exception set forth above). The allocable portion of income and deductions will be equal to the ratio of indebtedness on such properties outstanding from time to time to the basis in such properties as adjusted from time to time. When a JV disposes of a debt financed Project, a Qualified Plan (subject to the exception set forth above), IRA or Tax-Exempt Entity may be required to recognize an allocable portion of the gain as UBTI based on the ratio between the indebtedness as of the date of sale and the basis of such Project.

The portion of the Company's income that is not deemed to be UBTI will continue to be exempt for a Qualified Plan, IRA or Tax-Exempt Entity even if a portion of the Company's income is deemed to be UBTI. For further details on the application of UBTI, Qualified Plan, IRA or Tax-Exempt Entity investors are urged to consult their tax advisors.

For certain other tax-exempt entities, such as charitable remainder trusts and charitable remainder unitrusts (as defined in Code Section 664), the receipt of any UBTI may have extremely adverse tax consequences. For example, if such a trust or unitrust received any UBTI during a taxable year, a tax equal to 100% of such UBTI will be imposed. Charitable remainder trusts and charitable remainder unitrusts should consult their own tax advisors before the purchase of any Units.

A tax-exempt organization will not be able to use UBTI losses from one trade or business to offset UBTI from a different trade or business.

In considering an investment in the Company of a portion of the assets of a Qualified Plan, a fiduciary should consider the factors discussed in "ERISA and Other Benefit Plan Considerations."

Alternative Minimum Tax

Noncorporate taxpayers may be subject to the alternative minimum tax in addition to the regular income tax. The alternative minimum tax applies to designated items of tax preference. Investors should consult with their tax advisors regarding the alternative minimum tax thresholds to determine if it will apply to such investor's investment

in Units. The limitations on the deduction of passive losses also apply for purposes of computing alternative minimum taxable income.

For more information concerning tax preferences and the alternative minimum tax, prospective investors should consult their own tax advisors.

Accuracy-Related Penalties and Interest

All penalties relating to the accuracy of tax returns are now consolidated into a single accuracy-related penalty equal to 20% of the portion of the underpayment to which the penalty applies. The penalty applies to any portion of any understatement that is attributable to: (i) negligence or disregard of rules or regulations, (ii) any substantial understatement of income tax or (iii) any substantial valuation misstatement.

Negligence is generally any failure to make a reasonable attempt to comply with the provisions of the Code and the term "disregard" includes careless, reckless or intentional disregard. Each investor should consult with its own independent tax advisor.

A substantial understatement of income tax generally occurs if the amount of the understatement for the taxable year exceeds the greater of (i) 10% of the tax required to be shown on the return for the taxable year or (ii) $5,000. In the case of a C corporation, a substantial understatement of income tax generally occurs if the amount of the understatement for the taxable year exceeds the lesser of (i) 10% of the tax required to be shown on the return for the taxable year (or if greater, $10,000) or (ii) $10,000,000.

A substantial valuation misstatement occurs if the value of any property (or the adjusted basis) is 150% or more of the amount determined to be the correct valuation or adjusted basis. The penalty doubles if the property's valuation is misstated by 200% or more. No penalty will be imposed unless the underpayment attributable to the substantial valuation misstatement exceeds $5,000 or $10,000 in the case of a C corporation.

Except with respect to "tax shelters," an accuracy-related penalty will not be imposed on an underpayment attributable to negligence, a substantial understatement of income tax or a substantial valuation misstatement if it is shown that there was a reasonable cause for the underpayment and that the taxpayer acted in good faith. A "tax shelter" includes a partnership if a significant purpose of the partnership is the avoidance or evasion of tax.

In addition to the penalties described above, a new penalty has recently been added with respect to understatements resulting from listed or reportable transactions. A reportable transaction is a transaction that the IRS has identified as having the potential for tax avoidance or evasion. A listed transaction is a reportable transaction which the IRS has specifically identified as a tax avoidance transaction. The penalty is equal to 20% of the portion of the underpayment to which the penalty applies if the taxpayer disclosed the understatement and 30% of the portion of the underpayment to which the penalty applies if the taxpayer did not disclose the understatement. A taxpayer may avoid the payment of the penalty if (i) there was reasonable cause for the understatement and the taxpayer acted in good faith, (ii) the relevant facts affecting the taxpayer's tax treatment were adequately disclosed, (iii) there is, or was, substantial authority for the taxpayer's treatment of the item and (iv) the taxpayer reasonably believed that the treatment of the items on the return was more likely than not proper. A taxpayer may not rely on the opinion from a disqualified tax advisor. A disqualified tax advisor includes a (i) material advisor who participates in the organization, management, promotion or sale of the transaction or is related to any person who so participates, (ii) is compensated directly or indirectly by a material advisor with respect to the transaction, (iii) has a fee arrangement with respect to the transaction that is contingent on intended tax benefits being sustained or (iv) has a disqualifying financial interest with respect to the transaction. In the event the Units are determined to be a reportable transaction, and the taxpayer fails to include information regarding such reportable transaction, the taxpayer will be subject to a maximum penalty in the amount of $10,000 if the taxpayer is an individual and $50,000 in any other case. In the event the Units are determined to be a listed transaction, the maximum penalty increases to $100,000 in the case of an individual and $200,000 in any other case.

3.8% Net Investment Income Tax

A taxpayer who is an individual is required to pay an additional tax equal to 3.8% of the lesser of: (i) the taxpayer's "net investment income" for the taxable year or (ii) the excess of (x) the taxpayer's modified adjusted gross

income for the taxable year over (y) (1) for a taxpayer filing jointly with a spouse (or for a surviving spouse), $250,000, (2) for a married taxpayer filing a separate return, $125,000 or (3) in any other case, $200,000. For purposes of the additional tax, "net investment income" includes, among other things: (i) net income in the form of interest, dividends, annuities, royalties and rents that do not arise in the ordinary course of a trade or business (but including net income from a trade or business that is a passive activity with respect to the taxpayer or a trade or business of trading in financial instruments or commodities) and (ii) net gains (to the extent taken into account in computing taxable income) on the disposition of property other than property held in a trade or business (but including net gains realized on the disposition of property held in a trade or business that is a passive activity with respect to the taxpayer or a trade or business of trading in financial instruments or commodities).

State and Local Taxes

In addition to the federal income tax considerations described above, prospective investors should consider the state tax consequences of an investment in the Company. A Member's distributive share of income or loss of the Company generally will be required to be included in determining the Member's reportable income for state and local tax purposes. It is anticipated that the Projects will be located in various states. Consequently, Members may generate state source income from multiple states. In such case, the Members may be required to file a state income tax return and pay income tax in the states where the Projects are located. Further, the Company may be required to withhold distributions of certain Net Income to non-residents of certain states.

This Memorandum does not analyze or discuss state or local tax consequences to the Members. Each prospective investor should consult its own tax advisor regarding the tax consequences of the purchase of Units.

Limitation on Deduction for State and Local Taxes. Itemized deductions for state and local taxes for individuals are subject to limitations. These limitations do not apply to property taxes that are incurred in carrying on a trade or business or an activity for the production of income (and would be claimed by an individual on Schedule C, Schedule E or Schedule F of his or her tax return). It is unclear whether the Company will be considered to be in a trade or business.

It is anticipated that state and local income taxes incurred by the Members as a result of investing in the Company and being allocated taxable income by the Company will be subject to this limitation.

United States Income Tax Considerations for Foreign Investors

The federal income tax treatment applicable to a nonresident alien or foreign corporation investing in the Company is highly complex and will vary depending on the particular circumstances of such investor and the effect of any applicable income tax treaties. The foregoing discussion does not provide any information regarding the tax consequences that may be applicable to non-U.S. investors. Prospective non-U.S. investors should consult with their own tax advisors regarding the tax consequences of an investment in the Units.

General

Prospective investors should note that a number of issues discussed in this Memorandum have not been definitively resolved by statutes, regulations, rulings or judicial opinions. Accordingly, no assurances can be given that the conclusions expressed in this Memorandum will be accepted by the IRS or, if contested, would be sustained by a court, or that legislative changes or administrative pronouncements or court decisions may not be forthcoming that would significantly alter or modify the conclusions expressed herein. **Prospective investors are urged to consult with their own tax advisors regarding the tax consequences of an investment in the Units.**

ERISA AND OTHER BENEFIT PLAN CONSIDERATIONS

The following is a summary of certain considerations associated with an investment in the Company by (i) employee benefit plans as defined in Section 3(3) of ERISA, (ii) plans, IRAs and other arrangements that are subject to Code Section 4975 and (iii) entities deemed under ERISA to hold the "plan assets" of any such employee benefit plans or plans (each of (i) through (iii), a "Benefit Plan Investor"). This summary is general in nature and does not address every issue that may be applicable to the Company or a particular investor under ERISA and Code Section 4975. Each prospective investor should consult with its own counsel regarding an investment in the Company and related issues under ERISA and Code Section 4975. Plans that are not subject to ERISA or Code Section 4975 ("Other Plans") may be subject to other federal, state, local or other rules and regulations that are similar to the provisions of ERISA and Code Section 4975 ("Similar Law"). Fiduciaries of Other Plans should consult with their own counsel regarding an investment in the Company and related issues under Similar Law. Unless otherwise stated, any "plans" discussed below are plans that are subject to ERISA or Code Section 4975.

In General

The fiduciary of any plan considering an investment in the Company should consider the applicable limitations imposed by ERISA, Code Section 4975 and Similar Law on investments in entities such as the Company. Among other things, fiduciaries should consider the following (to the extent applicable): (i) whether the investment is in accordance with the documents and instruments governing such plan, (ii) the definition of "plan assets" under ERISA and the impact thereof on the plan's investment in the Company, (iii) whether the investment satisfies the diversification requirements of Section 404(a)(1)(C) of ERISA (or other applicable law), (iv) whether, under Section 404(a)(1)(B) of ERISA (or other applicable law), the investment is prudent, considering the nature of an investment in and the compensation structure of the Company and the fact that there is not expected to be a market created in which the Units can be sold or otherwise disposed of, (v) that the Company has no history of operations, (vi) whether the Company or any Affiliate is a "party-in-interest" (within the meaning of Section 3(14) of ERISA) or "disqualified person" (within the meaning of Code Section 4975) with respect to the plan, (vii) the need to annually value the Units and (viii) whether an investment in the Company will cause the plan to recognize UBTI. See "Material Federal Income Tax Considerations – Investment by Qualified Plans, IRAs and Tax-Exempt Entities – Unrelated Business Taxable Income." The prudence of a particular investment must be determined by the responsible fiduciary of the plan, taking into account all of the facts and circumstances relevant to the investment.

Each plan fiduciary should consider the fact that none of the Manager, its Affiliates or employees will act as a fiduciary to any plan with respect to the decision to invest such plan's assets in the Company or with respect to the operation and management of the Company. The Manager is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, with respect to a prospective plan investor's decision to invest in the Company, and such decision must be made by each prospective plan investor on an arm's length basis. It is intended, as discussed below, that the Company will not hold "plan assets" of any plan.

Prospective plan investors should also take into consideration the limited liquidity of an investment in the Company as it relates to any applicable minimum distribution requirements of the Code. If the Units are held in the plan at the time mandatory distributions are required to commence to the participant or beneficiary, applicable law may require the in-kind distribution of Units. Such distribution must be included in the participant's or beneficiary's taxable income for the year of receipt of the Units (at then current fair market value) without any cash distributions with which to pay the tax liability.

ERISA provides that Units may not be purchased by an employee benefit plan if the Company or an Affiliate of the Company is a fiduciary or party-in-interest (as defined in Sections 3(21) and 3(14) of ERISA) to the plan unless such purchase is exempt from the prohibited transaction provisions of Section 406 of ERISA. Under ERISA, it is the duty of the fiduciary responsible for purchasing the Units not to engage in such transactions.

Code Section 4975 has similar restrictions applicable to transactions between disqualified persons and an employee benefit plan, IRA or similar arrangement, which could result in the imposition of excise taxes on the Company or loss of tax-exempt status of the IRA.

Plan Asset Regulations

Under Department of Labor ("DOL") Regulation § 29 C.F.R. 2510.3-101, as amended by Section 3(42) of ERISA (the "Plan Asset Regulations"), if a plan invests in an equity interest of an entity that is neither a publicly offered security nor a security issued by an investment company registered under the Investment Company Act, the plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that the entity is an "operating company" or equity participation in the entity by Benefit Plan Investors is not "significant." The Units will not qualify as publicly offered securities nor will they be issued by an investment company registered under the Investment Company Act.

Nonetheless, the Company will not be deemed to hold "plan assets" under the Plan Asset Regulations if (i) the Company is an "operating company" or (ii) Benefit Plan Investor participation is not "significant" (as such terms are defined in the Plan Asset Regulations). The Company intends to meet one of these exceptions although there can be no assurance that the assets of the Company will not constitute "plan assets."

An "operating company" includes an entity that is a "venture capital operating company." Under the Plan Assets Regulation, an entity is a "venture capital operating company" if:

(i) on the first date on which it makes an investment that is not a short-term investment of funds pending long-term commitment (the "initial valuation date"), and on at least 1 day during a 90-day annual valuation period ("annual valuation period"), at least 50% of its assets, valued at cost (other than short-term investments pending long-term commitment or distribution to investors), valued at cost, are invested in an investment in an operating company (other than a venture capital operating company) as to which the investor has or obtains management rights; and

(ii) during such 12-month period (or during the period beginning on the initial valuation date and ending on the last day of the first annual valuation period) the entity, in the ordinary course of its business, actually exercises management rights with respect to one or more of the operating companies in which it invests.

If the Company is classified as a "venture capital operating company" an investment by a plan in the Company should be treated only as an investment in an equity interest in the Company and not as an investment in an undivided interest in the Company's assets.

Equity participation by Benefit Plan Investors is "significant" on any date if, immediately after the most recent acquisition of any equity interest in the Company, 25% or more of the total value of any class of equity interests in the Company is held by Benefit Plan Investors. In determining whether the 25% ownership test is met, the ownership of any person (other than a Benefit Plan Investor) with discretionary authority or control with respect to the Company assets, or any person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of any such person, is disregarded.

The LLC Agreement prohibits Benefit Plan Investors from acquiring 25% or more of the total value of any class of equity in the Company. If the Company complies with this prohibition, the Company should qualify for the exception under the Plan Asset Regulations. However, the LLC Agreement provides that the Members may transfer their Units subject to any applicable securities laws. Thus, if for any reason the 25% limitation is not met, then the issues described below will arise (unless the Company is an operating company). There can be no assurance that the assets of the Company will not constitute "plan assets" as determined under the Plan Asset Regulations.

Impact of Company's Holding Plan Assets

Generally, both ERISA and Code Section 4975 prohibit plans from engaging in certain transactions involving plan assets with specified parties, including, by way of example, transactions such as sales or exchanges or leasing of property, loans or other extensions of credit, furnishing goods or services, or transfers to, or use of, plan assets. The specified parties are referred to as "parties-in-interest" under ERISA and as "disqualified persons" under Code Section 4975. These definitions generally include both parties owning threshold percentage interests in an investment entity and "persons providing services" to the plan, as well as employer sponsors of the plan, fiduciaries and other individuals or entities affiliated with the foregoing. For this purpose, a person generally is a fiduciary with respect to a plan if, among other things, the person has discretionary authority or control with respect to plan assets or provides investment advice for a fee with respect to plan assets. Thus, if the Company is deemed to hold plan assets, its management could

be characterized as fiduciaries with respect to such assets, and each would be deemed to be a party-in-interest under ERISA and a disqualified person under the Code with respect to investing plans. Whether or not the Company is deemed to hold plan assets, if the Company is affiliated with a plan, the Company might be a disqualified person or party-in-interest with respect to such plan, resulting in a prohibited transaction merely upon investment by the plan in the Company.

If the Company's assets are treated as "plan assets" and if it is determined that the acquisition of a Unit by a plan (or another transaction of the Company) constitutes a prohibited transaction, then any party-in-interest, which may include a fiduciary or sponsor of a plan, that has engaged in any such prohibited transaction could be required to: (i) restore to the plan any profit realized on the transaction; (ii) make good to the plan any losses suffered by the plan as a result of such investment; (iii) pay an excise tax equal to 15% of the amount involved (i.e., the amount invested in the Company) for each year during which the investment is in place; and (iv) eliminate the prohibited transaction by reversing or unwinding the transaction. Moreover, if any fiduciary or party-in-interest is ordered to correct the transaction by either the IRS or the DOL and such transaction is not timely corrected, the party-in-interest or disqualified person involved could also be liable for an additional excise tax in an amount equal to 100% of the amount involved (i.e., the amount invested in the Company), for each taxable year until the prohibited transaction is corrected. Also, the DOL could assert additional civil penalties against a fiduciary or any other person who knowingly participates in any such breach.

With respect to investing IRAs, the tax-exempt status of the IRA could be lost if the investment (or another transaction of the Company) constitutes a prohibited transaction under Code Section 408(e)(2). If the IRA were to lose its tax-exempt status, the entire value of the IRA would be considered to be distributed and taxable to the IRA sponsor.

Annual Valuation and Reports

The fiduciary of a plan subject to ERISA is required to determine annually the fair market value of each asset of the plan as of the end of the plan's fiscal year and to file a report with the IRS reflecting such value. When no fair market value of a particular asset is available, the fiduciary is generally required to make a good faith determination of that asset's "fair market value" assuming an orderly liquidation at the time the determination is made. In addition, a trustee or custodian of an IRA must provide the participant and the IRS with a statement of the value of the IRA each year. In discharging its obligation to value assets of a plan, a fiduciary subject to ERISA must act consistent with the relevant provisions of the plan and the general fiduciary standards of ERISA.

To assist fiduciaries (and IRA trustees and custodians) in fulfilling their valuation and annual reporting responsibilities, the Company will provide reports of the Company's annual determination of the current estimated value of Units in the Company, if available and already in existence, to those fiduciaries (including IRA trustees and custodians) who identify themselves to the Company as such and request the reports. The Company valuation may be, but is not required to be, performed by independent appraisers. Initially, the annual valuation for the Units will be $5,000 per Unit.

There can be no assurance that (i) the value established by the Company could or will actually be realized by the Company or an investor upon liquidation (in part because appraisal or estimated values do not necessarily indicate the price at which assets could be sold and because no attempt will be made to estimate the expenses of selling any assets of the Company), (ii) investors would realize such value if they were to try to sell their Units or (iii) such valuation complies with the requirements of ERISA or the Code.

Plans subject to ERISA may also be required to report details of compensation for certain services provided by an entity such as the Company unless such compensation is characterized as "eligible indirect compensation." The descriptions contained in this Memorandum of fees and compensation are intended to satisfy the disclosure requirements required for "eligible indirect compensation" for which the alternative reporting option on Schedule C of DOL Form 5500 may be available.

The acceptance by the Manager of a subscription made by a plan is in no respect a representation by the Company, the Manager, their Affiliates or any other party that such investment meets the relevant legal requirements with respect to that plan or that the investment is appropriate for such plan. Each plan fiduciary should consult with its own legal advisors as to the propriety of an investment in the Company in light of the

specific requirements applicable to that plan. Fiduciaries of Other Plans should consult with their own legal advisors as to the application of Similar Law to an investment in the Company.

REPORTS

The Manager will keep proper and complete records and books of account for the Company. These books and records will be kept at the Company's principal place of business and subject to certain limitations, each Member (or a duly authorized representative) will at all times, during normal business hours, have the right to inspect, examine and copy from them for purposes reasonably related to the interest of that person as a Member.

The Manager will also have prepared and made available to the Members the following periodic reports:

(1) Within 120 days after the end of each fiscal year of the Company, an annual unaudited report containing a year-end balance sheet and income statement, which will be prepared in accordance with generally accepted accounting principles.

(2) Within 90 days after the end of each Company fiscal year, a copy of that portion of the Company's federal income tax return for such fiscal year or such other information as the Members may need to prepare their federal income tax returns.

LITIGATION

As of the date of this Memorandum, there are no legal actions pending against the Company, or the Manager, nor, to the knowledge of management, is any litigation threatened against any of them, any of their management or any Affiliate, which may materially affect operations or projected goals.

ACCOUNTING MATTERS

Method of Accounting

The Company will maintain its books and records and report its income tax results on an accrual basis.

Fiscal Year

Unless changed by the Manager as permitted under the Code, the fiscal year of the Company will be the calendar year.

Distributions

Distributions made in the initial years of the Company may be a return of capital and not investment income. During its initial years, the Company may show a Net Loss from operations.

ADDITIONAL INFORMATION

The Manager will answer inquiries from subscribers concerning the Company and other matters relating to the offer and sale of the Units, and the Manager will afford prospective investors the opportunity to obtain any additional information that is necessary to verify the information in this Memorandum to the extent the Manager possesses such information or can acquire such information without unreasonable effort or expense.

Prospective investors are entitled to review copies of other material contracts relating to the Units described in this Memorandum and copies of the Company's organizational documents.

EXHIBIT A

INSTRUCTIONS TO INVESTORS AND SUBSCRIPTION AGREEMENT

GINKGO GP FUND II LLC

INSTRUCTIONS TO INVESTORS AND SUBSCRIPTION AGREEMENT

Please read carefully the Confidential Private Placement Memorandum of Limited Liability Company Units in GINKGO GP FUND II LLC dated April 15, 2026, and all Exhibits, supplements and amendments thereto (the "Memorandum"), before deciding to subscribe. Unless otherwise noted, all capitalized terms utilized in this Instructions to Investors and Subscription Agreement (this "Agreement") but not defined herein shall have the meanings set forth in the Memorandum.

You should examine the suitability of this type of investment in the context of your own needs, investment objectives and financial capabilities, and make your own independent investigation and decision as to the suitability and as to the risk and potential gain involved. Also, you are encouraged to consult with your own attorney, accountant, financial consultant or other business or tax advisor regarding the risks and merits of the proposed investment.

The offering and sale of limited liability company units (the "Units") in GINKGO GP FUND II LLC (the "Company") pursuant to the Memorandum (the "Offering") is limited to investors who certify that they meet all of the qualifications set forth in the Memorandum (see "Who May Invest" in the Memorandum). The Offering is being conducted in reliance on Rule 506(b) of Regulation D, and the offer and sale of the Units cannot be made through general solicitation.

If you meet these qualifications and desire to purchase Units, please complete, execute and deliver this Agreement to the Company at the following:

GINKGO GP FUND II LLC
200 S College Street, Suite 200
Charlotte, North Carolina 28202
Attn: Investor Relations

In addition, please pay the full amount of the purchase price for the Units to be purchased (the "Subscription Price") by either (i) wire transfer in immediately available funds to the Escrow Agent set forth below or (ii) delivering a check made payable to "Regions Bank as Escrow Agent for GINKGO GP FUND II LLC" to the Escrow Agent at the following:

Address for Delivery of Checks:

GINKGO GP FUND II LLC
200 S College Street, Suite 200
Charlotte, North Carolina 28202
Attn: Investor Relations

Wire Instructions for Escrow Account:

Regions Bank
ABA - ACH Routing No.: 053012029
ABA – Wire Routing No.: 062005690
Account No.: 0371435697
Account Name: Ginkgo Residential LLC GP Fund II Trust Account

Important Note: The person or entity actually making the decision to purchase Units should complete and execute this Agreement. For example, retirement plans often hold certain securities purchases in trust for their beneficiaries, but the beneficiaries may maintain control and discretion over the securities. In such a situation, the beneficiary with control must complete and execute this Agreement (this also applies to trusts, custodial accounts and similar arrangements).

SUBSCRIPTION AGREEMENT

This Agreement is for the undersigned to purchase Units subject to the terms, conditions, acknowledgments, covenants, representations and warranties stated in this Agreement and in the Memorandum. Simultaneously with the execution and delivery hereof, I/we am/are transmitting payment (x) in respect of any Class A1 or Class A2 Units, in the full amount of the Subscription Price or (y) in respect of any Class I Units, in an amount equal to 10% of the Subscription Price, in each case, as set forth in (1) below. I/We understand and agree that, in respect of Class I Units, I/we will be required to contribute additional amounts as and when called by the Manager in an aggregate amount up to the full amount of the Subscription Price.

In order to induce the Company to accept this Agreement and as further consideration for such acceptance, I/we hereby make the following acknowledgments, representations and warranties with the full knowledge that the Company will expressly rely on the following acknowledgments, representations and warranties in making a decision to accept or reject this Agreement:

(1) **SALE OF UNITS**

No. of Units to be Purchased	
Unit Price	$5,000
Unit Type	☐ Class I ☐ Class A1 ☐ Class A2
Total Subscription Price	$
State of Sale	

(2) **FORM OF OWNERSHIP (Check only 1 box)**

Non-Qualified

- ☐ Individual
- ☐ Joint Tenants
- ☐ Joint Tenants with Right of Survivorship
- ☐ Tenants in Common
- ☐ Community Property
- ☐ Revocable Trust[a]
- ☐ Partnership[b]
- ☐ Limited Liability Company[b]
- ☐ Corporation[b]
- ☐ Irrevocable Trust[a]
- ☐ Other:_____

Qualified

- ☐ Traditional (Individual) IRA[c]
- ☐ Simple IRA[c]
- ☐ SEP IRA[c]
- ☐ ROTH IRA[c]
- ☐ Pension or Profit Sharing Plan[a]
- ☐ KEOGH Plan[a]
- ☐ Other:_____

(a) Please attach a trustee certification or pages from the trust agreement/plan which provides the name of the trust and the trustees authorized to sign on behalf of the trust/plan.

(b) Please attach entity documents and evidence of authority for person who executes this Agreement.

(c) Please submit this Agreement to the custodian of record prior to submitting as set forth on the cover page.

(3) **REGISTRATION**

Please print the <u>exact</u> name (registration) you desire on the account. (If the registration name you list is inconsistent with the form of ownership requested in Section 2 on page 2 and as reflected in any accompanying documents, the Company may require clarification):

Registration Name	

(4) **INVESTOR INFORMATION**

Natural Persons (Individuals, Community Property, Joint Tenants, Tenants in Common and IRAs)

Investor Name			
Co-Investor Name			
Investor SSN		Co-Investor SSN	
Investor Birth Date		Co-Investor Birth Date	
Home Address			
City/State		Zip Code	
Home Telephone No.		Mobile Telephone No.	
E-Mail Address			

Entities (Partnerships, LLCs, Corporations and Trusts)

Entity Name			
State of Formation		Date of Formation	
EIN			
Authorized Signatory		Title	
Address			
City/State		Zip Code	
Telephone No.		Mobile Telephone No.	

E-Mail Address

(5) **CITIZENSHIP**

☐ United States.

All investors that are United States citizens must complete an IRS Form W-9 in order to make an investment. The Form W-9 is attached to this Agreement.

☐ Foreign Person.

Country

An investor that is a foreign disregarded entity with a U.S. owner generally will be treated as a U.S. investor and should complete and submit a Form W-9. All investors that are foreign persons must submit the appropriate IRS Form W-8 (e.g., Form W-8BEN, W-8ECI, W-8EXP or W-8IMY) in order to make an investment. The applicable IRS Form can be obtained from the IRS by visiting www.irs.gov.

(6) **RETIREMENT PLANS**

If investing through an IRA, Keogh or other retirement or profit sharing plan, please complete the following (in addition to the information set forth in (2) through (5) above):

Account Name

Custodian's EIN

Custodian's Address

City/State

Zip Code

Telephone No.

E-Mail Address

(7) **ACCREDITED INVESTOR CERTIFICATION**

If a natural person (including most revocable grantor trusts) (check as appropriate):

☐ I have an individual net worth, or joint net worth with my spouse or spousal equivalent, in excess of $1,000,000 exclusive of the value of my primary residence.

For purposes of determining net worth, exclude the value of your primary residence as well as the amount of indebtedness secured by your primary residence, up to the fair market value. Any amount in excess of the fair market value of your primary residence must be included as a liability. In the event the indebtedness on your primary residence was increased in the 60 days preceding the completion of this Agreement, the amount of the increase must be included as a liability in the net worth calculation. For purposes of determining the joint "net worth" of natural persons, joint net worth can be the aggregate net worth of the investor and spouse or spousal equivalent; assets need not be held jointly to be included in the calculation. Reliance on the joint net worth standard described herein does not require that the

securities be purchased jointly. For purposes of this definition, "spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse.

☐ I had an individual income in excess of $200,000, or joint income with my spouse or spousal equivalent in excess of $300,000, in each of the 2 most recent years and I have a reasonable expectation of reaching the same income level in the current year.

☐ I hold, in good standing, 1 or more professional certifications or designations or credentials from an accredited educational institution that the SEC has designated as qualifying an individual for accredited investor status and which the SEC has posted as qualifying hereunder.

For purposes of determining the above, as of the date of the Memorandum, the SEC has posted the following qualifying professional certifications: holders in good standing of FINRA Series 7, Series 65, and Series 82 licenses.

☐ I am a director, executive officer or general partner of the Company or the Manager.

If other than a natural person (check as appropriate):

☐ A corporation, an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), a Massachusetts or similar business trust, a partnership or a limited liability company, not formed for the specific purpose of acquiring Units, with total assets in excess of $5,000,000.

☐ A trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring Units and whose purchase is directed by a person who has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of an investment in a Unit.

☐ A broker-dealer registered pursuant to section 15 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

☐ An investment company registered under the Investment Company Act of 1940, as amended (the "Investment Company Act") or a business development company (as defined in section 2(a)(48) of the Investment Company Act).

☐ An investment adviser registered pursuant to section 203 of the Investment Advisers Act of 1940, as amended (the "Investment Advisers Act") or registered pursuant to the laws of a state.

☐ An investment adviser relying on the exemption from registering with the SEC under section 203(l) or (m) of the Investment Advisers Act.

☐ An insurance company as defined in section 2(a)(13) of the Securities Act of 1933, as amended (the "Securities Act").

☐ A Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958.

☐ A private business development company (as defined in section 202(a)(22) of the Investment Advisers Act).

☐ A bank as defined in section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity.

☐ A Rural Business Investment Company as defined in section 384A of the Consolidated Farm and Rural Development Act.

☐ An entity that is not listed in Rule 501(a)(1), (2), (3), (7) or (8) of the Securities Act not formed for the specific purpose of acquiring an Interest, owning Investments (as defined in Rule 2a51-1(b) under the Investment Company Act) in excess of $5,000,000.

☐ A "family office" as defined in Rule 202(a)(11)(G)-1 under the Investment Advisers Act (a) with assets under management in excess of $5,000,000, (b) that is not formed for the specific purpose of acquiring the securities offered and (c) whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment.

☐ A "family client" as defined in Rule 202(a)(11)(G)-1 under the Investment Advisers Act, of a family office meeting the requirements under "family office" above and whose prospective investment in the issuer is directed by such family office as required pursuant to clause (c) in such definition.

☐ An entity in which all of the equity owners are Accredited Investors.

☐ A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000.

☐ An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 ("ERISA"), if the investment decision is made by a plan fiduciary (as defined in section 3(21) of ERISA), which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons who are Accredited Investors.

☐ A grantor revocable trust where the grantors meet the qualifications under "If a natural person" above.

(8) **DISTRIBUTIONS**

☐ **Direct Deposit**. My distributions should be directly deposited into my bank account (attach voided check and complete financial institution information below).

☐ **Check Mailed to Financial Institution**. My distributions should be sent to my financial institution listed below (complete financial institution information below).

☐ **Check Mailed to Investor**. My distributions should be sent to the person or entity/address set forth in Section (4) above.

Financial Institution Information

Name of Financial Institution	
Mailing Address	
Account Type	
Account No.	
ABA Routing No.	

(9) **INVESTOR REPRESENTATIONS**

(a) I/We acknowledge that I/we have received, read and fully understand the Memorandum. I/We acknowledge that I/we am/are basing my/our decision to invest in the Units on the Memorandum and I/we have relied only on the information contained in said materials and have not relied upon any representations made by any other person. I/We understand that an investment in the Units is speculative and involves substantial risks and I/we am/are fully cognizant of and understand all of the risks relating to a purchase of the Units, including, but not limited to, those risks set forth under "Risk Factors" in the Memorandum.

(b) My/Our overall commitment to investments that are not readily marketable is not disproportionate to my/our individual net worth, and my/our investment in the Units will not cause such overall commitment to become excessive. I/We have adequate means of providing for my/our financial requirements, both current and anticipated, and have no need for liquidity in this investment. I/We can bear and accept the economic risk of losing my entire investment in the Units.

(c) All information that I/we have provided to the Company concerning my/our suitability to invest in the Units is complete, accurate and correct as of the date of my/our signature on this Agreement. I/We agree to notify the Company immediately of any material change in any such information occurring prior to the acceptance of this Agreement, including changes concerning my/our net worth and financial position.

(d) I/We have had the opportunity to ask questions of, and receive answers from, the Company and the Manager concerning the Company, the operation of the Company, and the terms and conditions of the Offering, and to obtain any additional information deemed necessary. I/We have been provided with all materials and information requested by me/us or others representing me/us, including any information requested to verify any information furnished to me/us.

(e) I/We am/are purchasing the Units for my/our 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. I/We understand that, due to the restrictions described in this Agreement, no market exists or is anticipated to be created for the Units, and my/our investment in the Company will be highly illiquid and may have to be held indefinitely.

(f) I/We understand that (i) legends will be placed on any certificates evidencing the Units with respect to restrictions on distribution, transfer, resale, assignment or subdivision of the Units imposed by federal and state securities laws, (ii) the Units have not been registered with the Securities and Exchange Commission and are being offered and sold in reliance on an exemption from registration, which reliance is based in part upon my/our representations set forth in this Agreement and (iii) the Units have not been registered under state securities laws and are being offered and sold pursuant to exemptions specified in said laws, and unless registered, the Units may not be re-offered for sale or resold except in a transaction or as a security exempt under those laws.

(g) I/We understand that no state or federal governmental authority has approved or disapproved of the Units, reviewed or passed on the accuracy or adequacy of the Memorandum or made any finding or determination relating to the fairness of an investment in the Company and that no state or federal governmental authority has recommended or endorsed or will recommend or endorse the Units.

(h) If an individual, I/we am/are at least 21 years of age.

(i) This Agreement shall be construed in accordance with and governed by the laws of the state of Delaware, except as to the type of registration of ownership of Units, which shall be construed in accordance with the state of principal residence of the subscribing investor.

(j) **Notice to Residents of All States**: The Units offered hereby have not been registered under the Securities Act, or the securities laws of any state and are being offered and sold in reliance on exemptions from the registration requirements of said act and such laws. The Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under said act and such laws pursuant to registration or exemption therefrom. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Units or passed upon the accuracy or adequacy of the Memorandum. Any representation to the contrary is a criminal offense.

(k) **Pennsylvania Residents**: By signing this Agreement, I/we acknowledge and understand that (i) I/we am/are prohibited from selling the Units for a period of 12 months after the date of purchase, except in accordance with waivers established by rule or order of the Pennsylvania Securities Commission, (ii) the Units have not been registered under the Pennsylvania Securities Act of 1972 in reliance upon an exemption therefrom and (iii) no subsequent resale or other disposition of the Units may be made within 12 months following their initial sale in the absence of an effective registration, except in accordance with waivers established by rule or order of the Pennsylvania Securities Commission, and thereafter only pursuant to an effective registration or exemption.

(l) I/We am/are not a "bad actor" as defined in Rule 506(d) of Regulation D of the Securities Act.

(m) I/We am/are executing this Agreement (i) on my/our own behalf, as a natural person, and I/we have the legal capacity to execute, deliver and perform my obligations under this Agreement or (ii) on behalf of a corporation, partnership, limited liability company, trust or other entity, and (A) such entity is duly organized, validly existing and in good standing under the laws of the jurisdiction where it was formed and is authorized by its governing documents to execute, deliver and perform its obligations under this Agreement and to become a Member of the Company, (B) I/we have the full power and authority to execute and deliver this Agreement on behalf of such entity and (C) this Agreement, and the execution hereof and performance of its obligations hereunder, has been duly authorized by all requisite corporate or other action by the entity.

(n) I/We am/are not, and, in the case of a corporation, partnership, limited liability company, trust or other entity, none of its principal owners, partners, members, directors or officers are, included on the Office of Foreign Assets Control list of foreign nations, organizations and individuals subject to economic and trade sanctions based on U.S. foreign policy and national security goals, Executive Order 13224, which sets forth a list of individuals and groups with whom U.S. persons are prohibited from doing business because such persons have been identified as terrorists or persons who support terrorism, or any other watch list issued by any governmental authority, including the Securities and Exchange Commission.

(o) If subject to ERISA, I/we am/are aware of, and have taken into consideration, the diversification requirements of Section 404(a)(3) of ERISA in determining to invest in the Company and have concluded that such investment is prudent and not a non-exempt "prohibited transaction" within the meaning of Section 406 of ERISA and Section 4975(c) of the Code.

(p) I/We understand that, if I/we am/are acquiring the Units in a fiduciary capacity, the representations, warranties, statements, covenants and agreements set forth in this Agreement shall be deemed to have been made on behalf of the person or persons for whose benefit I/we am/are acquiring such Units. I/we have properly identified such person or persons in these subscription documents.

(q) I/We hereby acknowledge and agree that: (i) I/we may not transfer or assign this Agreement, or any interest herein, and any purported transfer shall be void; (ii) I/we am/are not entitled to cancel, terminate or revoke this Agreement and that this Agreement will be binding on my/our heirs, successors and personal representatives; provided, however, that if the Company rejects this Agreement, this Agreement shall be automatically canceled, terminated and revoked; (iii) this Agreement and the Limited Liability Company Agreement of the Company (the "LLC Agreement"), together with all attachments and exhibits, constitute the entire agreement among the parties hereto with respect to the sale of the Units and may be amended, modified or terminated only by a writing executed by all parties (except as provided herein with respect to rejection of this Agreement by the Company); (iv) within 5 days after receipt of a written request from the Company, I/we shall provide such information and execute and deliver such documents as may be reasonably necessary to comply with any and all laws and regulations to which the Company is subject; and (v) the representations and warranties I/we made in this Agreement shall survive the sale of the Units pursuant to this Agreement.

(r) I/We hereby agree to indemnify, defend and hold harmless the Company, the Manager and their respective owners, partners, managers, officers, directors, affiliates and advisors from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) that they may incur by reason of my/our failure to fulfill all of the terms and conditions of this Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties or agreements contained in this Agreement or in any other documents I/we have furnished to any of the foregoing in connection with this transaction. This indemnification includes, but is not limited to, any damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) incurred by the Company, the Manager or any of their respective owners, partners, managers, officers, directors, affiliates or advisors defending against any alleged violation of federal or state securities laws that is based upon or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained in this Agreement or in any other documents I/we have furnished to any of the foregoing in connection with this transaction.

(s) I hereby adopt the LLC Agreement as a Member of the Company.

(t) I/We acknowledge that in the event this Agreement is not accepted or, if accepted, the Company does not receive and accept Subscription Payments for at least 400 Units ($2,000,000) on or before the Minimum Offering Termination Date, then the funds transmitted herewith shall be returned to the undersigned and this Agreement shall be terminated and of no further effect.

(u) I/We acknowledge my/our interest in the Offering was privately solicited by my/our registered representative with whom I/we have a substantive, pre-existing relationship and not by any publication of any advertisement or by any general solicitation.

Your execution of this Agreement constitutes your binding offer to purchase the Units subscribed for in this Agreement. Once you subscribe to purchase the Units, you may not withdraw your subscription, except as specifically permitted by applicable law. The Company, in its sole and absolute discretion, may reject or accept your subscription, in whole or in part, and in each case without liability to you. If your subscription is rejected, then all of your funds will promptly be returned to you, without any interest thereon.

(10) SIGNATURES

By signing below, the undersigned agrees to be bound by the terms of this Agreement, including all representations and warranties made in this Agreement.

Natural Persons

SIGNATURE: _____

Name (Print): _____

Date: _____

SIGNATURE
(spouse or co-investor): _____

Name (Print): _____

Date: _____

Entities

Name of Entity: _____

SIGNATURE: _____

Name, Title (Print): _____

Date: _____

SIGNATURE: _____

Name, Title (Print): _____

Date: _____

ACCEPTANCE BY COMPANY

The Company hereby accepts this Agreement.

GINKGO GP FUND II LLC,
a Delaware limited liability company

Dated: _____

By: Ginkgo Multifamily OP LP, its manager

By: _____

Name: _____

Title: _____

CUSTODIAL APPROVAL

By executing this Agreement, the custodian certifies to the Company that the Units purchased pursuant to this Agreement are held for the benefit of the investor named in Section (4) of this Agreement (the "Beneficial Owner"). The custodian agrees to notify the Company promptly, but in any event within 30 days, of any changes in the name of the Beneficial Owner or the number of Units held by the custodian for the benefit of the Beneficial Owner. The custodian confirms that the Company is entitled to rely on these representations for the purposes of determining the Members entitled to notice of or to vote as Members of the Company until delivery by the custodian to the Company of a written statement revoking such representations (provided, however, that any revocation delivered after the record date or the closing of the records of the Company for any meeting of the Members, but on or prior to the date of such meeting of the Members, shall not be effective until after the holding of such meeting of the Members of the Company), then each Beneficial Owner (and not the custodian) will be deemed the holder of record for the Units entitled to notice or to vote at each meeting of Members.

AUTHORIZED SIGNATORY: _____

Name (Print): _____

Date: _____

REGISTERED INVESTMENT ADVISOR REPRESENTATIONS AND WARRANTIES

Investor suitability requirements have been established by the Company and are disclosed in the Memorandum under "Who May Invest." Before recommending the purchase of Units, we have reasonable grounds to believe, on the basis of information supplied by the investor concerning its investment objectives, other investments, financial situation and needs, and other pertinent information that: (i) the investor is an Accredited Investor as defined in Section 501(a) of Regulation D of the Securities Act; (ii) the investor meets the investor suitability requirements set forth in the Memorandum; (iii) the investor has a net worth and income sufficient to sustain the risks inherent in the Units, including loss of investment and lack of liquidity; (iv) the Units are otherwise a suitable investment for the investor; and (v) we have a pre-existing relationship with the investor which was not established through any form of general solicitation or, if the pre-existing relationship was established through general solicitation, such pre-existing relationship complies with Rule 506(b) of Regulation D and was established prior to the contemplation of the Offering as set forth in FINRA Notice to Members 05-18. We will maintain in our files documents disclosing the basis upon which the suitability of this investor was determined as well as documents establishing a pre-existing relationship with the investor.

Name of Investor			
Investment Advisor			
Advisor CRD #			
Firm Name			
Office Address			
City/State		Zip Code	
Telephone No.			
E-Mail Address			

I acknowledge and agree that no compensation will be paid in respect of the subscription of Units by the Company or any person acting on its behalf.

☐ **Discretionary Account Authority. If this Agreement is being executed by a Registered Investment Advisor, please check the box and such Registered Investment must provide documentation evidencing the discretionary authority to execute this Agreement.**

_____ _____

Signature of Investment Advisor Date

_____

Printed Name of Investment Advisor

CONSENT TO ELECTRONIC SIGNATURES AND/OR DELIVERY

Instead of (i) receiving paper copies of the Memorandum, this Agreement and any other exhibits, amendments and supplements thereto (collectively, the "Offering Documents"), as well as any annual reports and other investor communications and reports (collectively, "Investor Communications"), and (ii) providing wet signatures to the documents required for you to acquire Units in the Company as set forth in the Offering Documents, you may elect to receive electronic delivery of such materials and to provide your signatures electronically. If you would like to consent to electronic delivery of the Offering Documents and Investor Communications and/or the use of electronic signatures for the Offering Documents, please check the applicable box(es) below and sign where indicated.

By consenting to electronic delivery and/or electronic signatures, you will be responsible for your customary internet service provider charges and may be required to download software in connection with access to Offering Documents and Investor Communications and providing electronic signatures.

By consenting below to electronic delivery you (i) authorize the Company and/or its agent to deliver the Offering Documents and Investor Communications directly to you electronically, including via email or the Company's website and (ii) understand and agree that the Offering Documents and Investor Communications are confidential and you cannot send or discuss their contents with any other persons (other than your legal, tax or financial advisors in seeking advice on whether to make the investment). Your consent to electronic delivery will be of an unlimited duration and you will not receive paper copies of these electronic materials unless (a) specifically requested by you, (b) you inform the Company that you revoke your consent to electronic delivery, (c) the delivery of electronic materials is prohibited or (d) the Company, in its sole discretion, elects to send paper copies of materials.

By consenting to use of electronic signatures, you understand and agree that (i) your electronic signature will constitute an "electronic signature" as defined in the Electronic Signatures in Global and National Commerce Act of 2000 and is the electronic representation of your signature for all purposes when executing documents, including legally binding contracts, just the same as a pen and paper signature or initial, (ii) no certification or other third party verification is necessary to validate your electronic signature and that the lack of such certification or third party verification will not in any way affect the enforceability of your signature and (iii) your electronic signature executed in conjunction with the electronic submission of this Agreement and any other Offering Documents shall be legally binding and such transaction shall be considered authorized by you and you consent to be legally bound by their terms and conditions.

You understand that you are not required to consent to electronic delivery and/or electronic signatures, and you may withdraw your consent at any time. You may request a paper copy of these electronic materials, update your email address and/or withdraw your consent to electronic delivery and/or signatures (i) by written notice to the Company at GINKGO GP FUND II LLC, 200 S College Street, Suite 200, Charlotte, North Carolina, 28202 or (ii) via email at investors@ginkgomail.com.

I consent to electronic delivery ☐

I consent to the use of electronic signatures ☐

Email Address: _____

(If blank, the email provided in Investor Information will be used)

Date: _____

_____

Signature

_____

Print Name

SPOUSAL CONSENT

For purchasers in community property states, which are currently Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin)

I, _____ spouse of _____

[print name] [print name]

have read and hereby approve of this Agreement, which my spouse has signed. I hereby appoint my spouse as my attorney-in-fact with respect to the exercise of any rights related to a purchase of any such Units and agree to be bound by the provisions of this Agreement, the Memorandum, and any other documents related to the purchase of any such Units (collectively, the "Purchase Documents") insofar as I may have any rights in said Purchase Documents or any property or interest subject thereto under the community property laws of the state of _____ or similar laws relating to marital property in effect in the state of our residence as of the date of signing of this Agreement and/or the Purchase Documents.

Date: _____

_____

Signature

_____

Print Name

Form **W-9**
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See ***Specific Instructions*** on page 3.

1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)

2 Business name/disregarded entity name, if different from above.

3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor ☐ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate

☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) . . . . .

Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.

☐ Other (see instructions)

3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . ☐

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any)

Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any)

(Applies to accounts maintained outside the United States.)

5 Address (number, street, and apt. or suite no.). See instructions.

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			–			–				

or

Employer identification number

		–							

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	**Signature of U.S. person**	**Date**

EXHIBIT B

LLC AGREEMENT

LIMITED LIABILITY COMPANY AGREEMENT

OF

GINKGO GP FUND II LLC

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR BY THE SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS ANY COMMISSION OR AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF ANY DISCLOSURE MADE IN CONNECTION THEREWITH. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE SECURITIES OFFERED HEREBY MAY NOT BE RESOLD WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND APPLICABLE STATE SECURITIES LAWS OR EXEMPTION THEREFROM. ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS AGREEMENT IS FURTHER SUBJECT TO OTHER RESTRICTIONS, TERMS, AND CONDITIONS WHICH ARE SET FORTH IN THIS AGREEMENT.

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EXHIBITS

A Definitions

LIMITED LIABILITY COMPANY AGREEMENT

OF

GINKGO GP FUND II LLC

This Limited Liability Company Agreement, effective as of April 15, 2026 is entered into by and among Ginkgo Multifamily OP LP, a Delaware limited partnership, as the Manager, and William C. Green, as the Initial Member, and such other Persons who become Members in accordance with the terms of this Agreement, pursuant to the Act on the following terms and conditions.

1. Organization.

1.1 Formation. On April 9, 2026, a Certificate of Formation was filed in the office of the Secretary of State of the state of Delaware in accordance with and pursuant to the Act.

1.2 Name and Place of Business. The name of the Company shall be Ginkgo GP Fund II LLC, and its principal place of business shall be 200 S College Street, Suite 200, Charlotte, North Carolina 28202. The Manager may change such name, change such place of business or establish additional places of business of the Company as the Manager may determine to be necessary or desirable.

1.3 Business and Purpose of the Company. The primary purpose of the Company is to (i) acquire, own, lease, operate, manage, and transfer interests in the JVs, and to that end hold, improve, rehabilitate, mortgage, maintain, refinance, manage, lease and dispose of Projects (through the JVs), (ii) engage in any other activities relating or incidental thereto as may be necessary to accomplish such purpose and (iii) engage in such other activities as determined by the Manager which are allowed under Delaware law.

1.4 Term. The term of the Company shall commence on the effective date of this Agreement and shall terminate on December 31, 2099, unless the Company is sooner dissolved and terminated as provided in this Agreement.

1.5 Required Filings. The Manager shall execute, acknowledge, file, record, amend and/or publish such certificates and documents, as may be required by this Agreement or by law in connection with the formation and operation of the Company.

1.6 Registered Office and Registered Agent. The Company's initial registered office and initial registered agent shall be as provided in the Certificate of Formation. The registered office and registered agent may be changed from time to time by the Manager by filing the address of the new registered office and/or the name of the new registered agent pursuant to the Act.

1.7 Certain Transactions. Any Manager, Owner or any Affiliate thereof, or any owner, officer, director, employee, partner, member, manager or any Person owning an interest therein, may engage in or possess an interest in any other business or venture of any nature or description, whether or not competitive with the Company, including, but not limited to, the acquisition, syndication, ownership, financing, leasing, operation, maintenance, management, brokerage, construction and development of property similar to the JVs and the Projects and no Manager, Owner or any Affiliate, or other Person shall have any interest in such other business or venture by reason of their interest in the Company.

1.8 Proprietary Information. Notwithstanding anything herein to the contrary, the Members acknowledge that Ginkgo Multifamily OP LP has indicated that Ginkgo Residential LLC, a North Carolina limited liability company, created, cultivated and owns the tradenames and trademarks relating to the name

"Ginkgo" and the proposed business of Ginkgo Multifamily OP LP and the Company (the "Proprietary Information"). The parties agree that Ginkgo Residential LLC shall retain the ownership of the Proprietary Information and that in the event Ginkgo Multifamily OP LP is removed as the Manager, the Company shall no longer use the Proprietary Information.

2. Definitions. Definitions for this Agreement are set forth on Exhibit A and are incorporated herein.

3. Capitalization and Financing.

3.1 Manager's Capital Contribution. The Manager shall not be required to make a Capital Contribution to the Company; provided that, the Manager and/or its Affiliates shall purchase at least 10% of each class of Units in the Company on or prior to the Offering Termination Date.

3.2 Members' Capital Contributions.

3.2.1 Initial Member. The Initial Member shall contribute the sum of $100 in cash to the Company, but shall not receive any Units therefor. On the first business day following the admission of additional Members, the Initial Member's $100 Capital Contribution will be returned, and the Initial Member shall cease to be a Member. The Members hereby consent to the Initial Member's withdrawal of the Initial Member's Capital Contribution and waive any right, claim or action they may have against the Initial Member by reason of the Initial Member having been a Member.

3.2.2 Units. The Company is hereby authorized to sell and issue not less than 400 and not more than 5,000 Units at a purchase price of $5,000 per Unit and to admit the Persons who acquire such Units as Members. The minimum purchase shall be 200 Class I Units, 50 Class A1 Units, or 10 Class A2 Units, except that the Company may, in its sole discretion, sell and issue fewer Units. In no event shall the Company have more than 1,950 Owners. The Offering shall terminate on the Offering Termination Date. The Company will not sell 25% or more of the Units to Employee Benefit Plans. In addition, the Company will not accept a charitable remainder trust as a Member.

3.2.3 Payment of Purchase Price. The purchase price of each A1 Unit and A2 Unit shall be paid in full in cash at the time of execution of the Subscription Agreement. The purchase price of each Class I Unit shall be paid in an amount determined by the Manager of not less than 10% of the total purchase price in cash at the time of execution of the Subscription Agreement. Each Member holding Class I Units shall pay the remainder of the purchase price for such Class I Units as and when determined by the Manager in its sole discretion. In the event a holder of Class I Units fails to fund a capital call issued by the Manager for the remainder of the purchase price for such Class I Units by the deadline set forth in such capital call notice, such Member will (a) forfeit 10% of its Class I Units and (b) no longer be eligible to obtain additional Units, including, for the avoidance of doubt, by making subsequent payments in respect of such purchase price. Payment of all or, in the case of a Class I Unit, part of, the purchase price for a Unit shall constitute the Member's initial Capital Contribution.

3.2.4 Subscription Agreement. Each Person desiring to acquire Units and become a Member shall tender to the Company a Subscription Agreement for the number of Units desired, together with the correct full Subscription Payment for the Units so subscribed. The Company shall accept or reject each Subscription Agreement within 30 days after the Company receives the same (and the failure by the Company to accept a Subscription Agreement within the 30-day period shall constitute a rejection thereof). If rejected, all Subscription Payments shall be returned to the subscriber. Acceptance of a Subscription Agreement shall be evidenced by the execution of the Subscription Agreement by the Manager. Subject to Section 3.2.8, upon the acceptance of a Subscription Agreement, the accompanying Subscription Payment shall become a Capital Contribution by such subscriber and, in respect of Class I Units, the remainder of the Subscription Payment to be called by the Manager shall constitute such Class I Member's Capital

Commitment; provided, however, prior to the Company accepting subscriptions for at least the Minimum Offering Amount, the Subscription Payment shall only become a Capital Contribution when, if at all, the Subscription Payment is released to the Company from the Escrow Account.

3.2.5 Manager and its Affiliates as Member. The Manager and/or its Affiliates may acquire any number of Units for any reason deemed appropriate by the Manager for the same price and upon the same terms and conditions, subject to Section 3.2.3, as all other purchasers thereof; provided, however, that the Manager shall not acquire more than 25% of the Units sold and shall not acquire any Units until the Company has accepted Subscription Payments for at least the Minimum Offering Amount. Certain Affiliates of the Manager and their officers and directors may acquire additional Units. In such event, the Manager or its Affiliates will be admitted to the Company as Members with respect to such Units and will be entitled to all rights as Members appurtenant thereto, including but not limited to, the right to vote on certain Company matters as provided for in this Agreement and to receive Distributions and allocations attributable to the Units so purchased. Any interest of the Manager or its Affiliate as a Member shall be separately designated by listing the Manager or its Affiliate in the roster of Members with respect to its Units.

3.2.6 Admission of Members. The Manager shall amend this Agreement and take such other action as the Manager deems necessary or appropriate promptly after receipt of the Members' Capital Contributions to the Company to reflect the admission of those Persons to the Company as Members.

3.2.7 Liabilities of Members. Except as specifically provided in this Agreement, neither the Manager nor any Member shall be required to make any additional contributions to the Company and no Manager or Member shall be liable for the debts, liabilities, contracts or any other obligations of the Company, by reason of being a Manager or Member of the Company, nor shall the Manager or the Members be required to lend any funds to the Company or to repay to the Company, the Manager or any Member, or any creditor of the Company any portion or all of any deficit balance in a Member's Capital Account.

3.2.8 Cancellation of Offering. If the Company has not accepted Subscription Payments for the Minimum Offering Amount on or before May 15, 2026, the Offering shall be cancelled and all Subscription Payments received shall be promptly refunded to the subscribers; provided, however, that such date may be extended until June 15, 2026 in the sole discretion of the Manager.

3.2.9 Escrow Account. After acceptance of any tendered Subscription Agreement by the Company, the accompanying Subscription Payment shall be, prior to the Escrow Release Date, placed in a non-interest-bearing escrow account (the "Escrow Account") at Regions Bank, and held there until such time as Subscription Payments for the Minimum Offering Amount have been deposited in the Escrow Account (the "Escrow Release Date"). Upon the sale of the Minimum Offering Amount, funds in the Escrow Account shall be released to the Company. After the Escrow Release Date, if directed by the Company and pursuant to a supplement to the Memorandum, any additional Subscription Payments received shall be sent directly to and retained by the Company. After funds from the Escrow Account have been released, investors in the Company shall be admitted into the Company on the first day of the calendar month following the month in which the Company accepts such subscriber's subscription, unless admitted earlier by the Manager.

3.3 Manager Loans. The Manager and its Affiliates may, but will have no obligation to, make loans to the Company. Any such loan shall bear interest at market rates and provide for the payment of principal and any accrued but unpaid interest in accordance with the terms of the promissory note evidencing such loan, but in no event later than the dissolution of the Company.

3.4 Company Loans. The Company may obtain or assume, in the sole discretion of the Manager, directly or indirectly through the JVs, loans to acquire, operate, construct or refinance the Projects.

3.5 Additional Capital Contributions. The Manager is hereby authorized to cause the Company to issue additional Units or an additional class of units (the "Additional Interests") at any time or from time to time, to the Members or to other Persons for such consideration and on such terms and conditions as shall be established by the Manager in its sole discretion without approval of the Members. Any Additional Interests issued hereby may be issued in one or more classes, or one or more series of any such classes, with such designations, preferences and relative, participating, optional or special rights, powers and duties, including rights, powers and duties senior to any other units, as determined by the Manager in its sole discretion without the approval of any Member. In the event that any Additional Interests are issued, the Manager shall have the power and authority to amend this Agreement to reflect the changes applicable to such issuance, including, but not limited to, changes to adjust the Book Value of the existing Capital Accounts and amending the allocations and Distributions to reflect the issuance of the newly issued Additional Interests. No Additional Interests may be offered or sold to any Person that does not meet all qualifications under applicable federal or state securities laws, rules and regulations in order for such offer and sale to qualify as exempt from all federal and state registration requirements or if such offer or sale would otherwise violate the terms of this Agreement.

3.6 Right of First Refusal. If the Company issues Additional Interests pursuant to Section 3.5, the Company shall first offer to sell such Additional Interests to the Members (but only those who qualify to purchase the Additional Interests under applicable securities law), on a pro rata basis in proportion to their Units pursuant to the terms and conditions set forth in this Section 3.6. If the Company desires to sell or otherwise issue Additional Interests, the Company shall first provide a written offer (the "Offer Notice") to sell such Additional Interests in the Company to the Members on the terms and conditions described in the Offer Notice. The Members shall have the right, within 15 calendar days after receipt of such Offer Notice, to accept such offer by providing written notice to the Company of such acceptance including the amount of Additional Interests the Member desires to purchase (the "Elected Amount"). Failure by a Member to respond to such offer within such 15-day period shall be a deemed rejection of such offer. If a Member rejects (or is deemed to reject) the offer to acquire the Additional Interests in the Company, then the other Members shall be able to purchase the non-purchasing Member's pro rata portion of the Additional Interests on a pro rata basis based on their Units and in accordance with their Elected Amount. If less than all of the new Additional Interests in the Company are purchased by the Members pursuant to the Offer Notice, the Company shall be able to sell Additional Interests in the Company to third parties on the same terms and conditions as set forth in the Offer Notice within 180 days after the rejection (or deemed rejection) of the Offer Notice by the Members. If the sale of Additional Interests is not completed within such 180-day period, the Company must again provide the Members with a right of first refusal granted hereunder if the Company wishes to sell or otherwise issue Additional Interests.

3.7 Investment Period.

3.7.1 The Company shall be entitled to acquire interests in the JVs beginning after the Company has raised the Minimum Offering Amount and ending 2 years after the Offering Termination Date (the "Investment Period"). Upon written notice to the Members, the Manager may at any time terminate the Investment Period earlier than indicated herein in the Manager's sole discretion.

3.7.2 In the event a Project is sold, refinanced or otherwise disposed of during the Investment Period and the funds are distributed to the Company, the Manager may, in its sole discretion, reinvest any proceeds in other JVs.

3.8 Disposition Period. The Company intends, but is not obligated, to begin distributing funds from the JVs without reinvestment of the proceeds beginning at the end of the Investment Period and ending on the 5th anniversary of the Offering Termination Date (the "Disposition Period"); provided, however, the Manager may extend the Disposition Period for 3 additional 1-year periods in its sole discretion.

4. Allocation of Tax Items.

4.1 Allocation of Net Income and Net Loss. For each fiscal year, the Net Income and Net Loss of the Company shall be allocated as follows:

4.1.1 Net Income. After giving effect to the special allocations set forth in Sections 4.2 and 4.3, Net Income for any fiscal year shall be allocated as follows:

(a) First, to the Members and the Manager in proportion to and to the extent of Net Loss previously allocated to the Members and the Manager pursuant to Section 4.1.2(c) until the aggregate Net Income allocated to the Members and the Manager pursuant to this Section 4.1.1(a) for such fiscal year and all previous fiscal years is equal to the aggregate Net Loss allocated to the Members and the Manager pursuant to Section 4.1.2(c) for all previous fiscal years;

(b) Second, to the Members in proportion to their accrued but unallocated Preferred Return, until the Members have been allocated an amount equal to their accrued but unallocated Preferred Return; and

(c) Thereafter, (i) in respect of the Class I Units, 80% to the Members (or 85% in respect of a REIT Investor) in proportion to their Class I Units and 20% to the Manager (or 15% in respect of a REIT Investor), (ii) in respect of the Class A1 Units, 70% to the Members (or 75% in respect of a REIT Investor) in proportion to their Class A1 Units and 30% to the Manager (or 25% in respect of a REIT Investor) and (iii) in respect of the Class A2 Units, 65% to the Members (or 70% in respect of a REIT Investor) in proportion to their Class A2 Units and 35% to the Manager (or 30% in respect of a REIT Investor); provided that, in respect of Units owned by the Manager or its Affiliates, 100% of Net Income shall go to the Members holding such Units.

4.1.2 Net Loss. After giving effect to the special allocations set forth in Sections 4.2 and 4.3, Net Loss for any fiscal year shall be allocated as follows:

(a) First, to the Members and the Manager in proportion to and to the extent of Net Income previously allocated to the Members and the Manager pursuant to Section 4.1.1(c) until the aggregate Net Loss allocated to the Members and the Manager pursuant to this Section 4.1.2(a) for such fiscal year and all previous fiscal years is equal to the aggregate Net Income allocated to the Members and the Manager pursuant to Section 4.1.1(c) for all previous fiscal years;

(b) Second, to the Members and the Manager in proportion to and to the extent of Net Income previously allocated to the Members and the Manager pursuant to Section 4.1.1(a) until the aggregate Net Loss allocated to the Members and the Manager pursuant to this Section 4.1.2(b) for such fiscal year and all previous fiscal years is equal to the aggregate Net Income allocated to the Members and the Manager pursuant to Section 4.1.1(a) for all previous fiscal years;

(c) Thereafter, to the Members in proportion to their Units; provided that Net Loss shall not be allocated to any Member to the extent such allocation would cause such Member to have an Adjusted Capital Account Deficit at the end of a fiscal year.

4.2 Special Allocations.

4.2.1 Qualified Income Offset. Except as provided in Section 4.2.3, in the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit created by such adjustment, allocation or distribution as quickly as possible.

4.2.2 Gross Income Allocation. Net Loss shall not be allocated to any Member to the extent such allocation would cause such Member to have an Adjusted Capital Account Deficit at the end of a fiscal year. In the event any Member has an Adjusted Capital Account Deficit at the end of any fiscal year, each such Member shall be specially allocated items of Company gross income and gain in the amount of such Adjusted Capital Account Deficit as quickly as possible.

4.2.3 Minimum Gain Chargeback. Notwithstanding any other provision of this Section 4, if there is a net decrease in Company Minimum Gain during any Company fiscal year, each Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g)(2). This Section 4.2.3 is intended to comply with the partnership minimum gain chargeback requirement in the Treasury Regulations and shall be interpreted consistently therewith. This provision shall not apply to the extent the Member's share of net decrease in Company Minimum Gain is caused by a guaranty, refinancing or other change in the debt instrument causing it to become partially or wholly recourse debt or Member Nonrecourse Debt, and such Member bears the economic risk of loss (within the meaning of Treasury Regulations Section 1.752-2) for the newly guaranteed, refinanced or otherwise changed debt or to the extent the Member contributes cash to the capital of the Company that is used to repay the Nonrecourse Debt, and the Member's share of the net decrease in Company Minimum Gain results from the repayment.

4.2.4 Member Minimum Gain Chargeback. Notwithstanding any other provision of this Section 4, except Section 4.2.3, if there is a net decrease in Member Minimum Gain, any Member with a share of that Member Minimum Gain (as determined under Treasury Regulations Section 1.704-2(i)(5)) as of the beginning of the year shall be allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g)(2). This Section shall not apply to the extent the net decrease in Member Minimum Gain arises because the liability ceases to be Member Nonrecourse Debt due to conversion, refinancing or other change in a debt instrument that causes it to become partially or wholly a Nonrecourse Debt. This Section 4.2.4 is intended to comply with the partner minimum gain chargeback requirements in the Treasury Regulations and shall be interpreted consistently therewith and applied with the restrictions attributable thereto.

4.2.5 Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year or other period shall be allocated to the Members in proportion to their Units and each Member's share of excess Nonrecourse Debt shall be in the same proportion.

4.2.6 Member Nonrecourse Deductions. Member Nonrecourse Deductions for any fiscal year shall be allocated to the Member who bears the economic risk of loss as set forth in Treasury Regulations Section 1.752-2 with respect to the Member Nonrecourse Debt. If more than one Member bears the economic risk of loss for a Member Nonrecourse Debt, any Member Nonrecourse Deductions attributable to that Member Nonrecourse Debt shall be allocated among the Members according to the ratio in which they bear the economic risk of loss.

4.2.7 Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, 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 Treasury Regulations.

4.3 Curative Allocations. Notwithstanding any other provision of this Agreement, the Regulatory Allocations shall be taken into account in allocating items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of 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.

4.4 Contributed Property. Notwithstanding any other provision of this Agreement, the Manager shall cause depreciation and/or cost recovery deductions and gain or loss attributable to Property contributed by a Member or revalued by the Company to be allocated among the Members for income tax purposes in accordance with Code Section 704(c) and the Treasury Regulations promulgated thereunder.

4.5 [Intentionally Omitted].

4.6 Recapture Income. The portion of each Member's distributive share of Net Income that is characterized as ordinary income pursuant to Code Sections 1245 or 1250 shall be proportionate to the amount of Net Income or Net Loss which included the corresponding depreciation deductions that were allocated to such Member as compared with the amount of depreciation deductions allocated to all Members.

4.7 Allocation Among Units. Except as otherwise provided in this Agreement, all Distributions and allocations made to the Members shall be in the ratio of the number of Units held by each Member on the date of such allocation (which allocation date shall be deemed to be the last day of each month) to the total outstanding Units as of such date, and, except as otherwise provided in this Agreement without regard to the number of days during such month that the Units were held by each Member. Members who acquire Units at different times during the Company tax year shall be allocated Net Income and Net Loss using the monthly convention set forth in Section 4.9.1. For purposes of this Section 4 and Section 5, an Economic Interest Owner shall be treated as a Member.

4.8 Allocation of Company Items. Except as otherwise provided herein, whenever a proportionate part of Net Income or Net Loss is allocated to a Member, every item of income, gain, loss or deduction entering into the computation of such Net Income or Net Loss, and every item of credit or tax preference related to such allocation and applicable to the period during which such Net Income or Net Loss was realized shall be allocated to the Member in the same proportion.

4.9 Assignment.

4.9.1 In the event of the assignment of a Unit, the Net Income and Net Loss shall be allocated as between the Member and its assignee based upon the number of months of their respective ownership during the year in which the assignment occurs, without regard to the results of the Company's operations during the period before or after such assignment. Distributions shall be made to the holder of record of the Units as of the date of the Distribution. An assignee who receives Units during the first 15 days of a month will receive any allocations relative to such month. An assignee who acquires Units on or after the 16th day of a month will be treated as acquiring the Units on the first day of the following month.

4.9.2 In the event of the assignment of the Manager's Interest, the allocations of Net Income or Net Loss shall be as agreed between the Manager and its assignee. In the absence of an agreement, the Net Income, Net Loss and Distributions shall be allocated in a manner similar to that provided in Section 4.9.1.

4.10 Power of Manager to Vary Allocations. It is the intent of the Members that each Member's share of Net Income and Net Loss be determined and allocated in accordance with Code Sections 704(b) and 514(c)(9) and the provisions of this Agreement shall be so interpreted. Therefore, if the Company is advised by the Company's legal counsel that the allocations provided in this Section 4 are unlikely to be respected for federal income tax purposes, the Manager is hereby granted the power to amend the allocation provisions of this Agreement to the minimum extent necessary to comply with Code Sections 704(b) and 514(c)(9) and effect the plan of allocations and Distributions provided for in this Agreement.

4.11 Consent of Members. The allocation methods of Net Income and Net Loss are hereby expressly consented to by each Member as a condition of becoming a Member.

4.12 Withholding Obligations.

4.12.1 If the Company is required (as determined by the Manager) to make a payment ("Tax Payment") with respect to any Member to discharge any legal obligation of the Company or the Manager to make payments to any governmental authority with respect to any federal, foreign, state or local tax liability of such Member arising as a result of such Member's interest in the Company, then, notwithstanding any other provision of this Agreement to the contrary, the amount of any such Tax Payment shall be deemed to be a loan by the Company to such Member, which loan shall bear interest at the Prime Rate and be payable upon demand or by offset to any Distribution which otherwise would be made to such Member.

4.12.2 If and to the extent the Company is required to make any Tax Payment with respect to any Member, or elects to make payment on any loan described in Section 4.12.1 by offset to a Distribution to a Member, either (i) such Member's proportionate share of such Distribution shall be reduced by the amount of such Tax Payment or offset or (ii) such Member shall pay to the Company prior to such Distribution an amount of cash equal to such Tax Payment or offset. In the event a portion of a Distribution in kind is retained by the Company pursuant to clause (i) above, such retained Property may, in the discretion of the Manager, either (A) be distributed to the other Members or (B) be sold by the Company to generate the cash necessary to satisfy such Tax Payment. If the Property is sold, then for purposes of income tax allocations only under this Agreement, any gain or loss from such sale or exchange shall be allocated to the Member to whom the Tax Payment relates. If the Property is sold at a gain, and the Company is required to make any Tax Payment on such gain, the Member to whom the gain is allocated shall pay the Company prior to the due date of the Tax Payment an amount of cash equal to such Tax Payment.

4.12.3 The Manager shall be entitled to hold back any Distribution to any Member to the extent the Manager believes in good faith that a Tax Payment will be required with respect to such Member in the future and the Manager believes that there will not be sufficient subsequent Distributions to make such Tax Payment.

4.13 Special Allocation. Notwithstanding the other provisions in this Section 4 (but subject to Section 4.10), in the year of the sale of the last Project by a JV, Net Income and Net Loss from all sources (or gross income or gross expense) shall be allocated, to the greatest extent possible, so that the positive Capital Account balance of each Member shall be equal to the Distributions to be made upon liquidation to such Member.

5. Distributions.

5.1 Cash From Operations. Except as otherwise provided in Section 13, and subject to the Manager's discretion pursuant to Section 5.3, Cash From Operations with respect to each calendar year shall be distributed as follows:

5.1.1 First, 100% to the Members in proportion to their accrued but undistributed Preferred Return until the Members have been distributed an amount equal to their accrued but undistributed Preferred Return;

5.1.2 Second, to the Members in proportion to their Net Capital Contributions until their Net Capital Contributions are reduced to zero;

5.1.3 Thereafter, (a) in respect of Class I Units, 80% to the Members (or 85% in respect of a REIT Investor) in proportion to their Class I Units and 20% to the Manager (or 15% in respect of a REIT Investor), (b) in respect of Class A1 Units, 70% to the Members (or 75% in respect of a REIT Investor) in proportion to their Class A1 Units and 30% to the Manager (or 25% in respect of a REIT Investor) and (c) in respect of Class A2 Units, 65% to the Members (or 70% in respect of a REIT Investor) in proportion to their Class A2 Units and 35% to the Manager (or 30% in respect of a REIT Investor); provided that, in respect of Units owned by the Manager or its Affiliates, 100% of Cash From Operations shall be distributed to the Members holding such Units.

5.2 Restrictions. The Company intends to make periodic Distributions of substantially all cash determined by the Manager to be distributable, subject to the following (i) Distributions may be restricted or suspended for periods when the Manager determines in its reasonable discretion that it is in the best interest of the Company, (ii) all Distributions are subject to the payment, and the maintenance of reasonable reserves for payment of Company obligations and (iii) if a Project is refinanced, sold or otherwise disposed of at any time within 2 years of the Offering Termination Date and the funds are distributed to the Company, the Manager may, in its sole discretion, reinvest the proceeds therefrom in an additional JV or JVs.

5.3 Tax Distributions. Notwithstanding the provisions set forth in Section 5.1, the Company may, at the option of the Manager, make Distributions to the Manager prior to making the Distributions set forth in Section 5.1, to the extent such Distributions are needed to pay any income taxes associated with allocations of Net Income set forth in Section 4.1.1(c) to the Manager. Any such Distribution shall reduce subsequent Distributions to be made to the Manager pursuant to Section 5.1.

5.4 Tax Distribution Clawback. Notwithstanding the provisions set forth above, upon the sale, exchange or other disposition of the last Project by a JV, the Manager shall contribute to the Company prior Distributions it received from the Company pursuant to Section 5.4 to the extent that all Distributions the Manager received from the Company, determined on a cumulative basis, exceed the amount that would have been distributed to the Manager if all Distributions had been made without regard to Section 5.4. Any such excess amounts contributed by the Manager shall be distributed to the Members as set forth in Section 5.1.

6. Compensation to the Manager and its Affiliates.

6.1 Manager's and Affiliates' Compensation. The Manager and its Affiliates shall receive compensation from the Company for services rendered or to be rendered only as specified in this Agreement or as set forth in the Memorandum. Any other agreements that the Company enters into with an Affiliate of the Manager will be at arm's length, market terms. Notwithstanding anything herein to the contrary, the Manager and its Affiliates shall not be entitled to any compensation in respect of Units owned by the

Manager or its Affiliates. The allocations in Section 4 and the distributions in Section 5 shall be adjusted to reflect the prior sentence.

6.1.1 The Advisor shall be entitled to receive an acquisition fee in an amount up to 1% of the gross purchase price of each Project (the "Acquisition Fee") which will be paid by the JV acquiring such Project. There may be instances where the total Acquisition Fee paid at a Project closing exceeds 1%, but the Acquisition Fee payable to the Advisor shall be limited to 1% of the gross purchase price of that Project.

6.1.2 The Advisor shall be entitled to receive an annual asset management fee in an amount equal to, (a) in respect of Class I Units, 1.00% of their total Capital Commitments, (b) in respect of Class A1 Units, 1.25% of their original Capital Contributions and (c) in respect of Class A2 Units, 1.45% of their original Capital Contributions (the "Asset Management Fee"), which will be paid on a monthly basis.

6.1.3 The Advisor shall also be entitled to receive an annual investor services fee in an amount equal to, (i) in respect of Class I Units, 0.25%, (ii) in respect of class A1 Units, 0.45% and (iii) in respect of Class A2 Units, 0.85%, in each case, of the Offering proceeds in respect of the applicable class of Units, which will be paid on a monthly basis.

6.1.4 The Property Manager will enter into a property management agreement with respect to each Project and will receive a property management fee equal to 3% of the gross revenue from the Projects (the "Property Management Fee"), which will be paid on a monthly basis by the respective JVs. In the event the Property Manager hires a submanager with respect to a Project, any fee paid to such submanager shall be paid out of the Property Management Fee paid to the Property Manager up to the amount of the Property Management Fee.

6.1.5 The Advisor shall be entitled to receive a disposition fee upon the sale of each Project in an amount up to 1% of the gross sales price of the applicable Project (the "Disposition Fee"). Any real estate commission or broker fee paid in connection with a sale shall be paid from the sale proceeds by the applicable JV that sells such Project in addition to the Disposition Fee.

6.1.6 The Property Manager or an Affiliate shall be entitled to receive a construction management fee equal to 6% of any amount expended for construction, tenant improvement or repair projects with respect to a Project (including related professional services), including any budgeted capital expenditure in excess of $10,000 (the "Construction Management Fee"), which shall be paid by the applicable JV that owns such Project.

6.2 Company Expenses.

6.2.1 Operating Expenses. Subject to the limitations set forth in Section 6.2.2, the Company shall pay directly, or reimburse the Manager (or its affiliates) as the case may be, for all of the costs and expenses of the Company's operations, including, without limitation, the following costs and expenses: (i) all Organization and Offering Expenses advanced or otherwise paid by the Manager, (ii) all costs of personnel employed by the Company and directly involved in the Company's business, (iii) all compensation due to the Manager or its Affiliates, (iv) all costs of personnel employed by the Manager or its Affiliates and directly involved in the business of the Company, (v) all costs of borrowed money, taxes and assessments on the Property and other taxes applicable to the Company, (vi) legal, accounting, audit, brokerage, and other fees, (vii) fees and expenses paid to independent contractors, mortgage bankers, real estate brokers, and other agents, (viii) costs of leasing, acquiring, owning, improving, operating and disposing of Property, (ix) expenses incurred in connection with the alteration, maintenance, repair, remodeling, refurbishment, leasing and operation of Property, (x) all expenses incurred in connection with

the maintenance of Company books and records, the preparation and dissemination of reports, tax returns or other information to the Members and the making of Distributions to the Members, (xi) expenses incurred in preparing and filing reports or other information with appropriate regulatory agencies, (xii) expenses of insurance as required in connection with the business of the Company, other than any insurance insuring the Manager against losses for which it is not entitled to be indemnified under Section 7.7, (xiii) costs incurred in connection with any litigation in which the Company may become involved, or any examination, investigation, or other proceedings conducted by any regulatory agency, including legal and accounting fees, (xiv) the actual costs of goods and materials used by or for the Company, (xv) the costs of services that could be performed directly for the Company by independent parties such as legal, accounting, secretarial or clerical, reporting, transfer agent, data processing and duplicating services but which are in fact performed by the Manager or its Affiliates, but not in excess of the amounts which the Company would otherwise be required to pay to independent parties for comparable services in the same geographic locale, (xvi) expenses of Company administration, accounting, documentation and reporting, (xvii) expenses of revising, amending, modifying, or terminating this Agreement, (xviii) the portion of the Manager's payroll expenses allocable to work performed for the Company and (xix) all other costs and expenses incurred in connection with the business of the Company including travel to and from the Projects exclusive of those set forth in Section 6.2.2.

6.2.2 Manager Overhead. Except as set forth in this Section 6, the Manager and its Affiliates shall not be reimbursed for overhead expenses incurred in connection with the Company, including but not limited to rent, utilities, use of equipment and other administrative items.

6.2.3 Acquisition Expenses. Notwithstanding Section 6.2.2, the Manager and its Affiliates will be reimbursed for all costs expended in the acquisition and due diligence of the JVs and the Projects, and any potential JVs and Projects, including down payments, closing costs, travel, legal, environmental assessments, property condition reports and other studies, surveys, escrow deposits and costs, plus interest at the Manager's cost of funds on advances made for the above purposes.

7. Authority and Responsibilities of the Manager.

7.1 Management. The business and affairs of the Company shall be managed by the Manager. Except as otherwise set forth in this Agreement, the Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business.

7.2 Number, Tenure and Qualifications. The Company shall have one Manager, which shall be Ginkgo Multifamily OP LP. The Manager shall hold office until such Manager is removed or withdraws or resigns as set forth in this Agreement.

7.3 Manager Authority. The Manager shall have all authority, rights and powers conferred by law (subject to Section 7.4 and Section 8.2, if required) and those required or appropriate to the management of the Company's business, which, by way of illustration but not by way of limitation, shall include the right, authority and power to cause the Company, either directly or through the JVs or other special purpose entities, to:

7.3.1 Acquire, hold, lease, rent, operate, sell, exchange, subdivide and otherwise dispose of Property including the Projects;

7.3.2 Take all actions as the buyer of interests in the Projects either directly or through special purpose entities;

7.3.3 Borrow money, and, if security is required therefor, pledge or mortgage or subject the Property to any security device, obtain replacements of any mortgage or other security device and prepay, in whole or in part, refinance, increase, modify, consolidate, or extend any mortgage or other security device. All of the foregoing shall be on such terms and in such amounts as the Manager, in its sole discretion, deems to be in the best interest of the Company;

7.3.4 Place record title to, or the right to use, the Property in the name or names of a nominee or nominees for any purpose convenient or beneficial to the Company;

7.3.5 Enter into such contracts and agreements as the Manager determines to be reasonably necessary or appropriate in connection with the Company's or the JVs' business and purpose (including contracts with Affiliates of the Manager), and any contract of insurance that the Manager deems necessary or appropriate for the protection of the Company, a JV and the Manager, including errors and omissions insurance, for the conservation of Company or JV assets, or for any purpose convenient or beneficial to the Company or a JV;

7.3.6 Employ Persons, who may be Affiliates of the Manager, in the operation and management of the business of the Company or a JV;

7.3.7 Prepare or cause to be prepared reports, statements, and other relevant information for distribution to the Members;

7.3.8 Open accounts and deposit and maintain funds in the name of the Company or a JV in banks, savings and loan associations, "money market" mutual funds and other instruments as the Manager may deem in its discretion to be necessary or desirable;

7.3.9 Cause the Company or a JV to make or revoke any of the elections referred to in the Code (the Manager shall have no obligation to make any such elections);

7.3.10 Select as the Company's or a JVs' accounting year a calendar or fiscal year as may be approved by the Internal Revenue Service (the Company initially intends to adopt the calendar year);

7.3.11 Determine the appropriate accounting method or methods to be used by the Company or a JV;

7.3.12 In addition to any amendments otherwise authorized herein, amend this Agreement without any action on the part of the Members by special or general power of attorney or otherwise:

(a) To add to the representations, duties, services or obligations of the Manager or its Affiliates, for the benefit of the Members;

(b) To cure any ambiguity or mistake, to correct or supplement any provision herein that may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Agreement that will not be inconsistent with the provisions of this Agreement;

(c) To amend this Agreement to reflect the addition or substitution of the Members or the reduction of the Capital Accounts upon the return of capital to the Members;

(d) To minimize the adverse impact of, or comply with, any final regulation of the United States Department of Labor, or other federal agency having jurisdiction, defining "plan assets" for ERISA purposes;

(e) To reconstitute the Company or a JV under the laws of another state if beneficial; and

(f) To execute, acknowledge and deliver any and all instruments to effectuate the foregoing, including the execution, acknowledgment and delivery of any such instrument by the attorney-in-fact for the Manager under a special or limited power of attorney, and to take all such actions in connection therewith as the Manager shall deem necessary or appropriate with the signature of the Manager acting alone.

7.3.13 Require in any Company or a JV contract that the Manager shall not have any personal liability, but that the Person contracting with the Company is to look solely to the Company and its assets for satisfaction;

7.3.14 Lease personal property for use by the Company or a JV;

7.3.15 Establish reserves from income in such amounts as the Manager may deem appropriate;

7.3.16 Temporarily invest the proceeds from sale of Units in short-term, highly-liquid investments;

7.3.17 Make secured or unsecured loans to the Company or a JV and receive interest at the rates set forth herein;

7.3.18 Represent the Company and the Members as the "partnership representative" within the meaning of the Code in discussions with the Internal Revenue Service regarding the tax treatment of items of Company income, loss, gain, deduction or credit, or any other matter reflected in the Company's returns, and, to agree to final Company administrative adjustments or file a petition for a readjustment of the Company items in question with the applicable court;

7.3.19 Offer and sell Units through any licensed Affiliate of the Manager, or licensed nonaffiliate, and to employ licensed personnel, agents and dealers for such purpose;

7.3.20 Redeem or repurchase Units on behalf of the Company;

7.3.21 Hold an election for a successor Manager before the resignation, removal or dissolution of the Manager;

7.3.22 Initiate legal actions, settle legal actions and defend legal actions on behalf of the Company or a JV;

7.3.23 Admit itself or an Affiliate as a Member;

7.3.24 Enter into any limited liability company agreement, partnership agreement or other operating agreement with a JV;

7.3.25 Merge or combine the Company or "roll-up" the Company into a partnership, limited liability company or other entity;

7.3.26 Place all or a portion of a Project in a single purpose or bankruptcy remote entity, or otherwise structure or restructure the Company to accommodate any financing for all or a portion of a Project;

7.3.27 Appoint officers of the Company as set forth in Section 7.10;

7.3.28 Perform any and all other acts which the Manager is obligated to perform hereunder; and

7.3.29 Execute, acknowledge and deliver any and all instruments to effectuate the foregoing and all transactions and actions described in, or contemplated by, the Memorandum, and take all such actions in connection therewith as the Manager may deem necessary or appropriate. Any and all documents or instruments may be executed on behalf of and in the name of the Company by the Manager.

7.4 Restrictions on Manager's Authority. Neither the Manager nor any of its Affiliates shall have authority, without a Majority Vote, to:

7.4.1 Enter into contracts with the Company that would bind the Company after the expulsion, Event of Insolvency, or other cessation to exist of the Manager, or to continue the business of the Company after the occurrence of such event;

7.4.2 Use or permit any other Person to use Company funds or assets in any manner except for the exclusive benefit of the Company;

7.4.3 Alter the primary purpose of the Company;

7.4.4 Receive from the Company a rebate or give-up or participate in any reciprocal business arrangements which would enable it or any Affiliate to do so;

7.4.5 Admit another Person as a Manager, except with the consent of the Members as provided in this Agreement;

7.4.6 Subject to Section 5.2, reinvest Cash From Operations in additional JVs;

7.4.7 Commingle Company funds with those of any other Person, except for (i) the temporary deposit of funds in a bank checking account for the sole purpose of making Distributions immediately thereafter to the Members and the Manager or (ii) funds attributable to the JVs and held for use in the management and operation of the JVs;

7.4.8 Cause the Company to loan to the Manager or its Affiliates Company assets or employ, or permit employment of, the funds or assets of the Company in any manner except for the exclusive benefit of the Company; or

7.4.9 Directly or indirectly pay or award any finder's fees, commissions or other compensation to any Person engaged by a potential investor for investment advice as an inducement to such advisor to advise the purchaser regarding the purchase of Units; provided, however, that the Manager shall not be prohibited from paying underwriting or marketing commissions, or finder's or referral fees to registered broker-dealers or other properly licensed persons for its services in marketing Units as provided for in this Agreement.

7.5 Responsibilities of the Manager. The Manager shall:

7.5.1 Have the responsibility for the safekeeping and use of all the funds and assets of the Company;

7.5.2 Devote such of its time and business efforts to the business of the Company as it shall in its discretion, exercised in good faith, determine to be necessary to conduct the business of the Company;

7.5.3 [Intentionally Omitted]

7.5.4 File and publish all certificates, statements, or other instruments required by law for formation, qualification and operation of the Company and for the conduct of its business in all appropriate jurisdictions;

7.5.5 Cause the Company to be protected by public liability, property damage and other insurance determined by the Manager in its discretion to be appropriate to the business of the Company;

7.5.6 At all times use its best efforts to meet applicable requirements for the Company to be taxed as a partnership and not as an association taxable as a corporation; and

7.5.7 Amend this Agreement to reflect the admission of the Members not later than 90 days after the date of admission or substitution.

7.6 Administration of Company. So long as it is the Manager and the provisions of this Agreement for compensation and reimbursement of expenses of the Manager are observed, the Manager shall have the responsibility of providing continuing administrative and executive support, advice, consultation, analysis and supervision with respect to the functions of the Company, including decisions regarding the refinancing and sale, exchange or other disposition of the Projects or a JV, and compliance with federal, state and local regulatory requirements and procedures. In this regard, the Manager may retain the services of its Affiliates or unaffiliated parties as the Manager may deem appropriate to provide management and financial consultation and advice, and may enter into agreements for the management and operation of Company assets. The Manager shall have no fiduciary duty or other duties or obligations to the Company or the Members except as set forth in this Agreement.

7.7 Indemnification of the Manager and Officers.

7.7.1 The Manager, its owners, Affiliates, officers, directors, partners, managers, employees, agents, assigns, principals and trustees and any officers of the Company, shall not be liable for, and shall be indemnified and held harmless (to the extent of the Company's Property) from, any loss or damage incurred by them, the Company or the Members in connection with the business of the Company, including costs, expenses and reasonable attorneys' fees and any amounts expended in the settlement of any claims of loss or damage resulting from any act or omission performed or omitted in good faith, which shall not constitute fraud, gross negligence or willful misconduct, pursuant to the authority granted, to promote the interests of the Company. The Company shall advance to any Person entitled to indemnification pursuant to this Section such funds as shall be required to pay legal fees and expenses incurred in defense of any demands, claims or lawsuits as they become due. Moreover, neither the Manager nor any officer of the Company shall be liable to the Company or the Members because any taxing authorities disallow or adjust any deductions or credits in the Company's income tax returns.

7.7.2 The Members acknowledge that the Manager and its Affiliates may own Units and it shall not be a breach of any fiduciary duty or fiduciary obligation or any other duty or obligation if the Manager or any of its Affiliates votes its Units in its own best interest with respect to any Majority Vote.

7.7.3 Neither the Manager nor any of its Affiliates shall have any obligation to cause the Company to take any action that would result in personal liability to the Manager, its principals or any of its Affiliates in their capacity as obligator or guarantor of any loan that is obtained or assumed by the Company, notwithstanding that the failure to take any such action might result in the total or partial loss of the Company's interest in some or all of the Company's Property. Such action may include transferring the Projects to a lender pursuant to a deed in lieu of foreclosure. Any action or inaction by the Manager or any of its Affiliates that is intended to avoid personal liability under any obligation or guaranty related to a loan that is obtained or assumed by the Company will not constitute a breach of any fiduciary or other duty that the Manager or its Affiliates may owe the Company or the Members.

7.8 No Personal Liability for Return of Capital. The Manager shall not be personally liable or responsible for the return or repayment of all or any portion of the Capital Contribution of any Member or any loan made by any Member to the Company, it being expressly understood that any such return of capital or repayment of any loan shall be made solely from the assets (which shall not include any right of contribution from any Member) of the Company.

7.9 Authority as to Third Persons.

7.9.1 No third party dealing with the Company shall be required to investigate the authority of the Manager or officers of the Company or secure the approval or confirmation by any Member of any act of the Manager in connection with the Company's business. No purchaser of any Property owned by the Company shall be required to determine the right to sell or the authority of the Manager to sign and deliver any instrument of transfer on behalf of the Company, or to see to the application or distribution of revenues or proceeds paid or credited in connection therewith.

7.9.2 The Manager shall have full authority to execute on behalf of the Company any and all agreements, contracts, conveyances, deeds, mortgages and other instruments, and the execution thereof by the Manager, executing on behalf of the Company shall be the only execution necessary to bind the Company thereto. Any officer appointed by the Manager pursuant to Section 7.10 shall have full authority to execute on behalf of the Company any agreements, contracts, conveyances, deeds, mortgages and other instruments, to the extent such authority is delegated by the Manager to such officer, and the execution thereof by such officer, executing on behalf of the Company shall be the only execution necessary to bind the Company thereto. No signature of any Member shall be required.

7.10 Officers of the Company.

7.10.1 The Manager, in its sole discretion, may appoint officers of the Company at any time. The officers of the Company, if appointed by the Manager, may include a president, vice president, secretary, and treasurer. The officers shall serve at the pleasure of the Manager. Any individual may hold any number of offices. The Manager's officers may serve as officers of the Company if appointed by the Manager. The officers shall exercise such powers and perform such duties as determined and authorized by the Manager.

7.10.2 Any officer may be removed, either with or without cause, by the Manager at any time. Any officer may resign at any time by giving written notice to the Manager. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it

effective. Any resignation is without prejudice to the rights, if any, of the Company under any contract to which the officer is a party.

8. Rights, Authority and Voting of the Members.

8.1 Members Are Not Agents. Pursuant to Section 7, the management of the Company is vested in the Manager. No Member, acting solely in the capacity of a Member, is an agent of the Company nor can any Member in such capacity bind nor execute any instrument on behalf of the Company.

8.2 Voting by the Members. Members shall be entitled to cast one vote for each Unit they own. Except as otherwise specifically provided in this Agreement, Members (but not Economic Interest Owners) shall have the right to vote only upon the following matters:

8.2.1 Removal of a Manager as provided in Section 9.2;

8.2.2 Admission of the Manager or election to continue the business of the Company after the Manager ceases to be the Manager when there is no remaining Manager;

8.2.3 Amendment of this Agreement (unless otherwise provided for herein);

8.2.4 Any merger or combination of the Company or roll-up of the Company; and

8.2.5 Election to continue the business of the Company as set forth in Section 13.1.2**.**

8.3 Member Vote; Consent of Manager. Except for the Majority Votes required pursuant to Sections 8.2.1, 8.2.2, 8.2.5, 8.4.3, 9.1, 9.2, 9.3, 9.4, 10.1, 10.1.3, 10.1.4 and 13.3 or as specifically provided in this Agreement which provisions shall only require a Majority Vote, matters upon which the Members may vote shall require a Majority Vote and the consent of the Manager to pass and become effective.

8.4 Meetings of the Members. The Manager may at any time call for a meeting of the Members, or for a vote without a meeting, on matters on which the Members are entitled to vote. The Manager shall call for a meeting of the Members (but not a vote without a meeting) following receipt of a written request therefor of Members holding more than 10% of the Units entitled to vote as of the record date. Within 20 days after receipt of such request, the Manager shall notify all Members of record on the record date of the Company meeting.

8.4.1 Notice. Written notice of each meeting shall be given to each Member entitled to vote, either personally or by mail or other means of written communication, charges prepaid, addressed to such Member at its address appearing on the books of the Company or given by it to the Company for the purpose of notice or, if no such address appears or is given, at the principal executive office of the Company, or by publication of notice at least once in a newspaper of general circulation in the county in which such office is located. All such notices shall be sent not less than 10, nor more than 60, days before such meeting. The notice shall specify the place, date and hour of the meeting and the general nature of business to be transacted, and no other business shall be transacted at the meeting.

8.4.2 Adjourned Meeting and Notice Thereof. When a Members' meeting is adjourned to another time or place, notice need not be given of the subsequent meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the subsequent meeting, the Company may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 45 days or if after the adjournment a new record date is fixed for the subsequent meeting, a notice of the subsequent meeting shall be given to each Member of record entitled to vote at the meeting.

8.4.3 Quorum. The presence in person or by proxy of the Persons entitled to vote a majority of the Units shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a Majority Vote or such greater vote as may be required by this Agreement or by law. In the absence of a quorum, any meeting of Members may be adjourned from time to time by the vote of a majority of the Units represented either in person or by proxy, but no other business may be transacted, except as provided above.

8.4.4 Consent of Absentees. The transactions of any meeting of Members, however called and noticed and wherever held, are as valid as though they occurred at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either (i) before the meeting the provisions of Section 8.4.1 were followed or (ii) before or after the meeting each of the Persons entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent or an approval of the meeting. All waivers, consents and approvals shall be filed with the Company records or made a part of the minutes of the meeting.

8.4.5 Action Without Meeting. Except as otherwise provided in this Agreement, any action which may be taken at any meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by the Manager and the Members having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all entitled to vote thereon were present and voted. In the event the Members are requested to consent on a matter without a meeting, the Manager and each Member shall be given not less than 10, nor more than 60, days' notice. In the event the Manager or Members representing more than 10% of the Units request a meeting for the purpose of discussing or voting on the matter, the notice of a meeting shall be given in the same manner as required by Section 8.4.1 and no action shall be taken until the meeting is held. Unless delayed as a result of the preceding sentence, any action taken without a meeting will be effective 5 days after the required minimum number of voters have signed the consent; however, the action will be effective immediately if the Manager and Members representing at least 80% of the Units have signed the consent.

8.4.6 Record Dates. For purposes of determining the Members entitled to notice of any meeting or to vote or entitled to receive any Distributions or to exercise any rights in respect of any other lawful matter, the Manager (or Members representing more than 10% of the Units if the meeting is being called at their request) may fix in advance a record date, which is not more than 60 nor less than 10 days prior to the date of the meeting nor more than 60 days prior to any other action. If no record date is fixed:

(a) The record date for determining Members entitled to notice of or to vote at a meeting of Members shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held;

(b) The record date for determining Members entitled to give consent to Company action in writing without a meeting shall be the day on which the first written consent is given;

(c) The record date for determining Members for any other purpose shall be at the close of business on the day on which the Manager adopts it, or the 60th day prior to the date of the other action, whichever is later; and

(d) A determination of Members of record entitled to notice of or to vote at a meeting of Members shall apply to any adjournment of the meeting unless the Manager, or the Members who requested the meeting fix a new record date for the adjourned meeting, but the Manager, or such

Members, shall fix a new record date if the meeting is adjourned for more than 45 days from the date set for the original meeting.

8.4.7 Proxies. Every Person entitled to vote or execute consents shall have the right to do so either in person or by one or more agents authorized by a written proxy executed by such Person or its duly authorized agent and filed with the Manager. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy continues in full force and effect until expired or revoked as specified or unless it states that it is irrevocable. A proxy which states that it is irrevocable is irrevocable for the period specified therein.

8.4.8 Chairman of Meeting. The Manager may select any Person to preside as chairman of any meeting of the Members, and if such Person shall be absent from the meeting, or fail or be unable to preside, the Manager may name any other Person in substitution therefor as chairman. The chairman of the meeting shall designate a secretary for such meeting, who shall take and keep or cause to be taken and kept minutes of the proceedings thereof. The conduct of all Members' meetings shall at all times be within the discretion of the chairman of the meeting and shall be conducted under such rules as the chairman may prescribe. The chairman shall have the right and power to adjourn any meeting at any time, without a vote of the Units present in person or represented by proxy, if the chairman shall determine such action to be in the best interests of the Company.

8.4.9 Inspectors of Election. In advance of any meeting of Members, the Manager may appoint any Persons other than nominees for the Manager as the inspector of election to act at the meeting and any adjournment thereof. If an inspector of election is not so appointed, or if any such Person fails to appear or refuses to act, the chairman of any such meeting may, and on the request of any Member or its proxy shall, make such appointment at the meeting. The inspector of election shall determine the number of Units outstanding and the voting power of each, the Units represented at the meeting, the existence of a quorum, the authenticity, validity and effect of proxies, receive votes, ballots or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result and do such acts as may be proper to conduct the election or vote with fairness to all Members.

8.4.10 Record Date and Closing Company Books. When a record date is fixed, only Members of record on that date are entitled to notice of and to vote at the meeting or to receive a Distribution, or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any Units on the books of the Company after the record date.

8.5 Rights of Owners. No Owner shall have the right or power to: (i) withdraw or reduce its contribution to the capital of the Company, except as a result of the dissolution and termination of the Company or as otherwise provided in this Agreement or by law, (ii) bring an action for division or partition against the Company or any of its assets or (iii) demand or receive property other than cash in return for its Capital Contribution. Except as provided in this Agreement, no Owner shall have priority over any other Owner either as to the return of Capital Contributions or as to allocations of the Net Income, Net Loss or Distributions of the Company. Other than upon the termination and dissolution of the Company as provided by this Agreement, there has been no time agreed upon when the contribution of each Owner (other than the Initial Member) is to be returned.

8.6 Restrictions on the Owners. No Owner shall:

8.6.1 Disclose to any non-Owner other than their lawyers, accountants or consultants and/or commercially exploit any of the Company's business practices, trade secrets or any other information not generally known to the business community, including the identity of suppliers utilized by the Company;

8.6.2 Do any other act or deed with the intention of harming the business operations of the Company; or

8.6.3 Do any act contrary to this Agreement.

8.7 Return of Capital of the Owners. In accordance with the Act, an Owner may, under certain circumstances, be required to return to the Company, for the benefit of the Company's creditors, amounts previously distributed to the Owner. If any court of competent jurisdiction holds that any Owner is obligated to make any such payment, such obligation shall be the obligation of such Owner and not of the Company, the Manager or any other Owner.

8.8 Indemnification of the Members. The Company shall indemnify, protect, defend and hold harmless the Members, in their capacity as Members (as opposed to the Manager which is indemnified pursuant to Section 7.7 in its capacity as a Manager), and their owners, Affiliates, officers, directors, partners, managers, employees, agents, assigns, principals and trustees (each an "Indemnified Party"), from and against any loss, liability, damage, cost or expense (including reasonable legal fees and expenses incurred in defense of any demands, claims or lawsuits) arising from actions or omissions concerning business or activities undertaken by or on behalf of the Company from any source. The Company shall advance to any Person entitled to indemnification pursuant to this Section such funds as shall be required to pay reasonable legal fees and expenses incurred in defense of any demands, claims or lawsuits as they become due. Notwithstanding the foregoing, if the claim for indemnification is in connection with an action against the Company, or against another Indemnified Party by the Person requesting the indemnification, the Company shall have no such obligation to advance any funds for the payment of legal fees and expenses. The obligations contained herein shall survive the termination or expiration of the Agreement until such time as an action against the Members is absolutely barred by the statute of limitations.

8.9 Deemed Approval. Whenever a Majority Vote is required in this Agreement, the Company shall provide the Members with notice of such required vote, and the Members shall have 15 days after the date such notice is sent by the Company to approve or disapprove of the matter. If a Member does not disapprove of such matter within the 15-day specified response period described above, the Member shall be deemed to have voted in accordance with the vote recommended by the Manager.

9. Resignation, Withdrawal or Removal of the Manager.

9.1 Resignation or Withdrawal of the Manager. Subject to Section 10, the Manager shall not resign or withdraw as the Manager or do any act that would require its resignation or withdrawal without a Majority Vote.

9.2 Removal. The Manager may be removed by a Majority Vote only (i) for fraud, gross negligence or willful misconduct of the Manager, as evidenced by a final, non-appealable decision of a court of competent jurisdiction or (ii) upon the occurrence of an Event of Insolvency of the Manager. Removal of the Manager shall not be effective until the Manager receives in cash the full value of its interest in the Company**.**

9.3 Purchase of Manager's Interest. Upon the removal of a Manager pursuant to Section 9.2 or its withdrawal with the approval of a Majority Vote, (i) the removed Manager's interest in the Distributions and allocations of Net Income and Net Loss set forth in this Agreement, (ii) its interest in its right to the earned but unpaid fees and other compensation remaining to be paid under this Agreement and (iii) the Interest of the Manager and its Affiliates as Members, shall be purchased by the Company for a purchase price equal to the aggregate fair market value of the Manager's Interest determined according to the provisions of Section 9.4; provided, however, that in the event the Manager is removed as a result of fraud, gross negligence or willful misconduct as determined by a final, non-appealable decision of a court

of competent jurisdiction, the purchase price shall be reduced by any damages caused by any such fraud, gross negligence or willful misconduct. The purchase price of such interest shall be paid by the Company to the Manager in cash within 60 days of the determination of the aggregate fair market value.

9.4 Purchase Price of the Manager's Interest. The fair market value of a Manager's Interest to be purchased by the Company pursuant to Section 9.3 shall be determined by agreement between the Manager and the Company, which agreement is subject to approval by a Majority Vote. For this purpose, the fair market value of the interest of the terminated Manager shall be computed as the present value of the future amount which could reasonably be expected to be realized by such Manager upon the sale of the Company's assets in the ordinary course of business at the time of removal, including the Manager's or any Affiliate's interest as a Member. If the Manager and the Company cannot agree upon the fair market value of such Company interest within 30 days, the fair market value thereof shall be determined by appraisal, the Company and the terminated Manager each to choose one appraiser and the 2 appraisers so chosen to choose a third appraiser. The decision of a majority of the appraisers as to the fair market value of such Company interest shall be final and binding and may be enforced by legal proceedings. The terminated Manager and the Company shall each compensate the appraiser appointed by it and the compensation of the third appraiser shall be borne equally by such parties.

10. Assignment of a Manager's Interest.

10.1 Permitted Assignments. Except as otherwise provided in this Agreement, the Manager may not hypothecate or otherwise transfer any part or all of its interest in the Company except with a Majority Vote. If the Members consent to the transfer, the interest may only be sold to the proposed transferee within the time period approved by the Members, or within 90 days of such consent on the proposed terms and price, if later. All costs of the transfer, including reasonable attorneys' fees (if any), shall be borne by the transferring Manager. Notwithstanding the above, the Manager may encumber its interest without the consent of the Members.

10.1.1 Any assignment or transfer of the Manager's Interest provided for by this Agreement can be an assignment or transfer of all of its interest or any portion or part of its interest.

10.1.2 Any transfer of all or a part of the Manager's Interest may be made only pursuant to the terms and conditions contained in this Section 10.

10.1.3 Any such assignment shall be by a written instrument of assignment, the terms of which are not in contravention of any of the provisions of this Agreement, and which has been duly executed by the assignee of the Manager's Interest and accepted by the Members pursuant to a Majority Vote.

10.1.4 The assignor and assignee shall have executed, acknowledged, and delivered such other instruments as the Members pursuant to a Majority Vote, may deem necessary or desirable to effect such substitution of any such proposed transfer, and which shall include the written acceptance and adoption by the assignee of the provisions of this Agreement.

10.2 Substitute Manager. Upon acceptance by the Members of an assignment by the Manager, any assignee of the Manager's Interest in compliance with this Section 10 shall be substituted as the Manager.

10.3 Transfer in Violation Not Recognized. Any assignment, sale, exchange or other transfer in contravention of the provisions of this Section 10 shall be void and ineffectual and shall not bind or be recognized by the Company.

10.4 Transfers to Affiliates. Notwithstanding the above, the Manager may assign all or any part of its interest in the Company to an Affiliate without the consent of the Members.

11. Assignment of Units.

11.1 Permitted Assignments. A Member may only sell, assign, hypothecate, encumber or otherwise transfer any part (but not less than the lesser of (i) 1 Unit or (ii) the Member's entire interest in the Company) or all of its Units if the following requirements are satisfied:

11.1.1 The Manager, in its sole discretion, consents in writing to the transfer;

11.1.2 No Owner shall sell, transfer, assign or convey or offer to transfer, assign or convey all or any portion of a Unit to any Person who does not possess the financial qualifications required of all Persons who become Members, as described in the Memorandum;

11.1.3 No Member shall have the right to transfer any Unit to any minor or to any Person who, for any reason, lacks the capacity to contract for himself under applicable law. Such limitations shall not, however, restrict the right of any Member to transfer any 1 or more Units to a custodian or a trustee for a minor or other Person who lacks such contractual capacity;

11.1.4 The Manager, with advice of counsel, must determine that such transfer will not jeopardize the applicability of the exemptions from the registration requirements under the Securities Act of 1933, and registration or qualification under state securities laws relied upon by the Company and Manager in offering and selling the Units or otherwise violate any federal or state securities laws;

11.1.5 The Manager, with advice of counsel, must determine that, despite such transfer, Units will qualify for one of the safe harbors described in the Treasury Regulations related to the publicly traded partnership rules and will not cause the Units to be deemed to be "traded on an established securities market" or "readily tradable on a secondary market (or the substantial equivalent thereof)" under the provisions applicable to publicly traded partnership status. In making this determination, the Manager shall be entitled to limit any transfers so that the transfers comply with one of the safe harbors in the Treasury Regulations; provided, however, that the Manager may, in its sole discretion and upon a determination that the Company will not be treated as a publicly traded partnership for federal income tax purposes, permit transfers that do not qualify for one of the safe harbors;

11.1.6 Any such transfer shall be by a written instrument of assignment, the terms of which are not in contravention of any of the provisions of this Agreement, and which has been duly executed by the assignor of such Units and accepted by the Manager in writing. Upon such acceptance by the Manager, such an assignee shall take subject to all terms of this Agreement and shall become an Economic Interest Owner;

11.1.7 A transfer fee shall be paid by the transferring Member in such amount as may be required by the Manager to cover all reasonable expenses, including attorneys' fees and lender's fees, connected with such assignment;

11.1.8 The transfer will not result in Employee Benefit Plans owning 25% or more of the Units;

11.1.9 The transfer will not result in more than 1,950 Owners; and

11.1.10 The transfer will not cause a default with respect to any financing obtained by the Company or a JV.

11.2 Substituted Member.

11.2.1 Conditions to be Satisfied. No Economic Interest Owner shall have the right to become a Substituted Member unless the Manager shall consent thereto in accordance with Section 11.2.2 and all of the following conditions are satisfied:

(a) A duly executed and acknowledged written instrument of assignment shall have been filed with the Company, which instrument shall specify the number of Units being assigned and set forth the intention of the assignor that the assignee succeed to the assignor's interest as a Substituted Member in its place;

(b) The assignor and assignee shall have executed, acknowledged and delivered such other instruments as the Manager may deem necessary or desirable to effect such substitution, which may include an opinion of counsel regarding the effect and legality of any such proposed transfer, and which shall include (i) the written acceptance and adoption by the assignee of the provisions of this Agreement and (ii) the execution, acknowledgment and delivery to the Manager of a special power of attorney, the form and content of which are more fully described herein; and

(c) A transfer fee sufficient to cover all reasonable expenses connected with such substitution shall have been paid to the Company.

11.2.2 Consent of Manager. The consent of the Manager shall be required to admit an Economic Interest Owner as a Substituted Member. The granting or withholding of such consent shall be within the sole discretion of the Manager.

11.2.3 Consent of Members. By executing or adopting this Agreement, each Member hereby consents to the admission of additional or Substituted Members, and to any Economic Interest Owner becoming a Substituted Member upon consent of the Manager and in compliance with this Agreement.

11.3 Rights of Economic Interest Owner. An Economic Interest Owner shall be entitled to receive Distributions from the Company attributable to the Units acquired by reason of such assignment from and after the effective date of the assignment; provided, however, that notwithstanding anything herein to the contrary, the Company shall be entitled to treat the assignor of such Units as the absolute owner thereof in all respects, and shall incur no liability for allocations of Net Income and Net Loss or Distributions, or for the transmittal of reports or other information until the written instrument of assignment has been received by the Company and recorded on its books. The effective date of such assignment shall be the date on which all of the requirements of this Section have been complied with, subject to Section 4.9.

11.4 Right to Inspect Books. Economic Interest Owners shall have no right to inspect the Company's books or records, to vote on Company matters, or to exercise any other right or privilege as Members, until they are admitted to the Company as Substituted Members except as required by the Act.

11.5 Transfer Subject to Law. No assignment, sale, transfer, exchange or other disposition of any Units may be made except in compliance with the applicable governmental laws and regulations, including state and federal securities laws.

11.6 Transfer in Violation Not Recognized. Any assignment, sale, transfer, exchange or other disposition in contravention of the provisions of this Section 11 shall be void and ineffectual and shall not bind or be recognized by the Company.

11.7 Conversion to Economic Interest. Upon the transfer of a Unit in violation of this Agreement, the Membership Interest of a Member shall be converted into an Economic Interest.

11.8 Repurchase of Units. Beginning one year after the Offering Termination Date, the Company shall have the right, in the sole discretion of the Manager, to repurchase Units upon written request of a Member.

11.8.1 A Member wishing to have its Units repurchased must mail or deliver a written request to the Company (executed by the trustee or authorized agent in the case of a retirement plan) indicating its desire to have such Units repurchased. Such requests will be considered by the Manager in the order in which they are received. No repurchase may result in a Member owning a partial Unit.

11.8.2 The purchase price for the Units to be repurchased shall not be determined until at least 60 days after the Company's receipt of the Member's notice described in Section 11.8.1 and shall be determined based on the then current fair market value of the Units and shall be determined in the sole discretion of the Manager.

11.8.3 In the event that the Manager decides to honor a request, the Manager will notify the requesting Member in writing of such fact within 30 days of the Company's receipt of the Member's notice described in Section 11.8.1 and, after determination of the purchase price for the repurchased Units, will forward to such Member the documents necessary to effect such repurchase transaction.

11.8.4 The effective date of the repurchase transaction shall be not less than 60 nor more than 90 calendar days following the receipt of the written request by the Company described in Section 11.8.1.

11.8.5 Fully executed documents to effect the repurchase transaction must be returned to the Company at least 30 days prior to the effective date of the repurchase transaction. If a Member does not timely submit its executed repurchase documents, the Company will not repurchase such Member's Units.

11.8.6 Upon receipt of the required documentation, the Company will, on the effective date of the repurchase transaction and subject to approval by the Manager, repurchase the Units, provided that if sufficient funds are not then available, as determined in the Manager's sole discretion, to repurchase all of such Units, only a portion of such Units will be repurchased, unless otherwise approved by the Manager as set forth herein. Units repurchased by the Company pursuant to this Section 11.8 shall be promptly cancelled.

11.8.7 In the event that sufficient funds are not available, as determined in the Manager's sole discretion, to repurchase all of a Member's Units, the Member will be deemed to have priority for subsequent Company repurchases over Members who subsequently request repurchases.

11.8.8 Notwithstanding any provision in this Section 11.8, the Company shall not repurchase any Units if the Company is prohibited from doing so under applicable law.

11.8.9 Repurchases of Units shall be subject to the restrictions set forth in Section 11.1.

11.8.10 In no event shall Units owned by the Manager or its Affiliates be repurchased by the Company.

11.8.11 The Company shall not repurchase any Units that are subject to liens or other encumbrances until such time as the Member provides evidence satisfactory to the Manager, in its sole discretion, that such liens or other encumbrances have been removed.

12. Books, Records, Accounting and Reports.

12.1 Records. The Company shall maintain at its principal office the Company's records and accounts of all operations and expenditures of the Company including the following:

12.1.1 A current list of the name and last known business, residence or mailing address of each Owner and the Manager;

12.1.2 A copy of the Certificate of Formation and all amendments thereto, together with any powers of attorney pursuant to which the Certificate of Formation or any amendments thereto were executed;

12.1.3 Copies of the Company's federal, state and local income tax or information returns and reports, if any, for the 6 most recent fiscal years;

12.1.4 Copies of this Agreement and any amendments thereto together with any powers of attorney pursuant to which any written accounting or any amendments thereto were executed;

12.1.5 Copies of any financial statements of the Company, if any, for the 6 most recent years; and

12.1.6 The Company's books and records but not Member information as they relate to the internal affairs of the Company for at least the current and past 4 fiscal years.

12.2 Delivery to the Members and Inspection. Subject to limitations set forth in this Section 12.2 and Sections 12.5 and 12.6, each Member, or its representative designated in writing, has the right, upon reasonable written request for purposes reasonably related to the interest of that Person as a Member, which purposes are set forth in the written request, to receive from the Company:

12.2.1 True and full information regarding the status of the business and financial condition of the Company;

12.2.2 Promptly after becoming available, a copy of the Company's federal, state and local income tax returns for each year;

12.2.3 A current list of the name and last known business, residence or mailing address of each Owner and the Manager;

12.2.4 A copy of this Agreement and the Certificate of Formation and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which this Agreement and the Certificate of Formation and all amendments thereto have been executed; and

12.2.5 True and full information regarding the amount of cash and a description and statement of the agreed value of any property or services contributed by each Owner and which each Owner has agreed to contribute in the future, and the date on which each became an Owner.

12.3 Reports. The Manager will cause the Company, at the Company's expense, to prepare an annual report containing a year-end balance sheet and income statement. Copies of such statements shall be distributed to each Member within 120 days after the close of each fiscal year of the Company.

12.4 Tax Information. The Manager will use commercially reasonable efforts to cause the Company, at the Company's expense, to prepare and timely file income tax returns for the Company with the appropriate authorities, and shall cause all Company information necessary in the preparation of the Owners' individual income tax returns to be distributed to the Owners not later than 90 days after the end of the Company's fiscal year. The Manager shall also distribute a copy of the Company's tax return to a Member, if requested by such Member.

12.5 Confidentiality. The Manager shall have the right to keep confidential from the Owners, for such period of time as the Manager deems reasonable, any information which 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 interest of the Company or could damage the Company or its business or which the Company is required by law or by agreement with a third party to keep confidential.

12.6 Limitations. In addition to Section 12.5, the Manager, in its sole discretion, may restrict receipt of the information identified in Section 12.2, if the Manager reasonably believes that disclosure of such information is not in the best interest of the Company or could damage the Company or its business or the requesting Member's reason for obtaining the applicable information is, in the Manager's sole discretion, related to the Member's individual purposes and not for a Company purpose. In no event shall the Manager be required to provide any Member with access to any personal information with respect to the Owners, including, but not limited to, the names, addresses, email addresses and phone numbers of the Owners.

12.7 Partnership Representative; Tax Elections.

12.7.1 The Manager shall be the "partnership representative" for purposes of Code Sections 6223 and 6231 and shall have the power to designate, and direct the actions of, a "designated individual" within the meaning of the Treasury Regulations under Code Section 6223. If any state or local tax law provides for a partnership representative, designated individual or Person having similar rights, powers, authority or obligations, the Manager shall also serve in such capacity and/or designate, and direct the actions of, another Person to serve in such capacity (the partnership representative under federal tax law, the designated individual under federal tax law and any Person serving in a similar capacity under state or local tax law to either, the "Partnership Representative"). The Partnership Representative will have the rights, power and authority to act and perform fully in its capacity as Partnership Representative. The Company shall make such elections pursuant to the provisions of the Code as the Manager, in its sole discretion, deems appropriate. In addition, the Manager shall, at the Company's expense, cause to be prepared and timely filed after the end of each taxable year of the Company all federal and state income tax returns required of the Company for such taxable year.

12.7.2 If any audit adjustment results in an underpayment of tax that is imputed to the Company and would be assessed and collected at the Company level in the period that the adjustment becomes final, the Partnership Representative may elect:

(a) to pay an imputed underpayment as calculated under Code Section 6225(b) with respect to such adjustment, including interest, penalties and related tax ("Imputed Underpayment") in the Adjustment Year or otherwise take the Internal Revenue Service adjustment into account in the Adjustment Year.

(b) to "push out" such adjustment pursuant to Code Section 6226; or

(c) to take any other action in connection with such adjustment permitted to be taken by the Partnership Representative by law.

12.7.3 Each Member's proportionate share of any Imputed Underpayment shall be determined by the Manager in good faith. Each Member agrees to indemnify and hold harmless the Company and the Manager from and against any liability with respect to the Member's proportionate share of any Imputed Underpayment, regardless of whether such Member is a Member in the Adjustment Year, and to promptly pay its proportionate share of any Imputed Underpayment to the Company within 15 days following the Manager's request for payment. Any amount that is not funded shall be treated in accordance with Section 4.12.1. The Members will take such actions as are reasonably requested by the Partnership Representative, including by timely providing to the Company such information as is reasonably requested by the Partnership Representative to reduce the amount of the Company's liability for any Imputed Underpayment and providing the Partnership Representative with the information necessary to make an election pursuant to Code Section 6226.

12.7.4 The Company shall pay or reimburse the Partnership Representative for all reasonable out-of-pocket costs and expenses (including reasonable attorneys' and other professionals' fees) incurred by it in its capacity as the Partnership Representative. The Company shall indemnify, defend and hold the Partnership Representative harmless from all losses in connection with any act or decision concerning Company tax matters to the extent such act or decision was made within the scope of the Partnership Representative's duties and responsibilities hereunder.

12.7.5 The provisions of this Section 12.7 will survive the termination of any Member's interest in the Company and will remain binding for so long as necessary to resolve any and all tax matters with respect to the Company.

13. Termination and Dissolution of the Company.

13.1 Termination of Company. The Company shall be dissolved, shall terminate and its assets shall be disposed of, and its affairs wound up upon the earliest to occur of the following:

13.1.1 Upon the happening of any event of dissolution specified in the Certificate of Formation;

13.1.2 The occurrence of a Dissolution Event unless the business of the Company is continued by the consent of the remaining Members within 90 days following the occurrence of the event;

13.1.3 A determination by the Manager to terminate the Company;

13.1.4 Upon the entry of a decree of judicial dissolution;

13.1.5 The sale of the last Project by a JV, or the receipt of the final payment on any seller financing provided by the Company on the sale of the last Project by a JV, if later; or

13.1.6 The expiration of the term of the Company.

13.2 Certificate of Cancellation. As soon as possible following the occurrence of any of the events specified in Section 13.1, the Manager who has not wrongfully dissolved the Company or, if none, the Members, shall execute a Certificate of Cancellation in such form as shall be required by the Act.

13.3 Liquidation of Property. Upon a dissolution and termination of the Company, the Manager (or in case there is no Manager, the Members or Person designated by a Majority Vote) shall take full account of the Company Property and liabilities, shall liquidate the Property as promptly as is consistent with obtaining the fair market value thereof, and shall apply and distribute the proceeds therefrom in the following order:

13.3.1 To the payment of creditors of the Company but excluding secured creditors whose obligations will be assumed or otherwise transferred on the liquidation of Company Property;

13.3.2 To the setting up of any reserves as required by law for any liabilities or obligations of the Company; provided, however, that said reserves shall be deposited with a bank or trust company in escrow at interest for the purpose of disbursing such reserves for the payment of any of the aforementioned contingencies and, at the expiration of a reasonable period, for the purpose of distributing the balance remaining in accordance with the remaining provisions of this Section 13.3; and

13.3.3 To the Owners and the Manager as set forth in Section 5.1, which is intended to be in proportion to their positive Capital Account balances as of the date of such Distribution, after giving effect to all Capital Contributions, Distributions and allocations for all periods, including the period during which such Distribution occurs.

13.4 Distributions Upon Dissolution. Each Member shall look solely to the assets of the Company for all Distributions and its Capital Contributions, and shall have no recourse therefor (upon dissolution or otherwise) against any Manager or any Member. No Member shall be required to restore any deficit in the Member's Capital Account.

13.5 Liquidation of Member's Interest. If there is a Liquidation of a Member's or Manager's Interest in the Company, any liquidating Distribution pursuant to such Liquidation shall be made only to the extent of the positive Capital Account balance, if any, of such Member or Manager for the taxable year during which such Liquidation occurs after proper adjustments for allocations and Distributions for such taxable year up to the time of Liquidation. Such Distributions shall be made by the end of the taxable year of the Company during which such Liquidation occurs, or if later, within 90 days after such Liquidation.

14. Special and Limited Power of Attorney.

14.1 Power of Attorney. The Manager shall at all times during the term of the Company have a special and limited power of attorney as the attorney-in-fact for each Member, with power and authority to act in the name and on behalf of each such Member to execute, acknowledge, and swear to in the execution, acknowledgment and filing of documents which are not inconsistent with the provisions of this Agreement and which may include, by way of illustration but not by way of limitation, the following:

14.1.1 This Agreement, as well as any amendments to the foregoing which, under the laws of the state of Delaware or the laws of any other state, are required to be filed or which the Manager shall deem it advisable to file;

14.1.2 Any other instrument or document that may be required to be filed by the Company under the laws of any state or by any governmental agency or which the Manager shall deem it advisable to file;

14.1.3 Any instrument or document that may be required to effect the continuation of the Company, the admission of Substituted Members, or the dissolution and termination of the Company (provided such continuation, admission or dissolution and termination are in accordance with the terms of this Agreement);

14.1.4 Any contract for purchase or sale of real estate, and any deed, deed of trust, mortgage, or other instrument of conveyance or encumbrance, with respect to Property; and

14.1.5 Any and all other instruments as the Manager may deem necessary or desirable to effect the purposes of this Agreement and carry out fully its provisions, including, but not limited to, those in Section 16.

14.2 Provision of Power of Attorney. The special and limited power of attorney of the Manager:

14.2.1 Is a special power of attorney coupled with the interest of the Manager in the Company, and its assets, is irrevocable, shall survive the death, incapacity, termination or dissolution of the granting Member, and is limited to those matters herein set forth;

14.2.2 May be exercised by the Manager by and through one or more of the officers of the Manager for each of the Members by the signature of the Manager acting as attorney-in-fact for all of the Members, together with a list of all Members executing such instrument by their attorney-in-fact or by such other method as may be required or requested in connection with the recording or filing of any instrument or other document so executed; and

14.2.3 Shall survive an assignment by a Member of all or any portion of its Units except that, where the assignee of the Units owned by the Member has been approved by the Manager for admission to the Company as a Substituted Member, the special power of attorney shall survive such assignment for the sole purpose of enabling the Manager to execute, acknowledge and file any instrument or document necessary to effect such substitution.

14.3 Notice to Members. The Manager shall promptly furnish to a Member a copy of any amendment to this Agreement executed by the Manager pursuant to a power of attorney from the Member.

15. Relationship of this Agreement to the Act. Many of the terms of this Agreement are intended to alter or extend provisions of the Act as they may apply to the Company or the Members. Any failure of this Agreement to mention or specify the relationship of such terms to provisions of the Act that may affect the scope or application of such terms shall not be construed to mean that any of such terms is not intended to be a limited liability company agreement provision authorized or permitted by the Act or which in whole or in part alters, extends or supplants provisions of the Act as may be allowed thereby.

16. Amendment of Agreement.

16.1 Admission of Member. Amendments to this Agreement for the admission of any Member or Substituted Member shall not, if in accordance with the terms of this Agreement, require the consent of any Member.

16.2 Amendments with Consent of Member. In addition to any amendments otherwise authorized herein, this Agreement may be amended by the Manager with a Majority Vote; provided, however, that any amendment that would treat a specific Member less favorably than another Member (in application but not in effect) shall require the vote of such adversely affected Member.

16.3 Amendments Without Consent of the Members. In addition to the amendments authorized pursuant to Section 4.10 and Section 7.3.12 or otherwise authorized herein, the Manager may amend this Agreement, without the consent of any of the Members, to (i) change the name and/or principal place of business of the Company or (ii) decrease the rights and powers of the Manager (so long as such decrease does not impair the ability of the Manager to manage the Company and conduct its business and affairs); provided, however, that no amendment shall be adopted pursuant to this Section 16.3 unless the adoption thereof (A) is for the benefit of or not adverse to the interests of the Members and (B) does not affect the limited liability of the Members.

16.4 Execution and Recording of Amendments. Any amendment to this Agreement shall be executed by the Manager, and by the Manager as attorney-in-fact for the Members pursuant to the power of attorney contained in Section 14. After the execution of such amendment, the Manager shall also prepare and record or file any certificate or other document which may be required to be recorded or filed with respect to such amendment, either under the Act or under the laws of any other jurisdiction in which the Company holds any Property or otherwise does business.

17. Miscellaneous.

17.1 Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one Agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart.

17.2 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective Members.

17.3 Severability. In the event any sentence or Section of this Agreement is declared by a court of competent jurisdiction to be void, such sentence or Section shall be deemed severed from the remainder of this Agreement and the balance of this Agreement shall remain in full force and effect.

17.4 Notices. All notices under this Agreement shall be in writing and shall be given to the Member or Economic Interest Owner entitled thereto, by personal service or by mail, posted to the address maintained by the Company for such Person or at such other address as it may specify in writing. Unless otherwise expressly set forth in this Agreement to the contrary, any such notice shall be deemed to be given on the date on which the same was deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid.

17.5 Manager's Address. The name and address of the Manager is as follows:

Ginkgo Multifamily OP LP
200 S College Street, Suite 200
Charlotte, North Carolina 28202

17.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Delaware.

17.7 Captions. Section titles or captions contained in this Agreement are inserted only as a matter of convenience and reference. Such titles and captions in no way define, limit, extend or describe the scope of this Agreement nor the intent of any provisions hereof.

17.8 Gender. Whenever required by the context hereof, the singular shall include the plural, and vice versa, the masculine gender shall include the feminine and neuter genders, and vice versa.

17.9 Time. Time is of the essence with respect to this Agreement.

17.10 Additional Documents. Each Member, upon the request of the Manager, shall perform any further acts and execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement, including, but not limited to, providing acknowledgment before a Notary Public of any signature made by a Member.

17.11 Descriptions. All descriptions referred to in this Agreement are expressly incorporated herein by reference as if set forth in full, whether or not attached hereto.

17.12 Attorneys' Fees. In the event that litigation is commenced to enforce any of the provisions of this Agreement, to recover damages for breach of any of the provisions of this Agreement, or to obtain equitable relief in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs, whether or not such action proceeds to judgment. The prevailing party shall be determined by either the officiating judge in the matter or by the presiding judge of any federal or state court located in the State of Delaware.

17.13 Venue. Any action relating to or arising out of this Agreement shall be brought only in a court of competent jurisdiction located in the State of Delaware. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out or relating to this Agreement or the business and operations of the Company (whether based on contract, tort or other theory).

17.14 Partition. The Members agree that the assets of the Company are not and will not be suitable for partition or division. Accordingly, each of the Members hereby irrevocably waives any and all rights that it may have, or may obtain, to maintain any action for a division of the Company, a partition of its assets or any other transfer of the assets of the Company or any portion thereof.

17.15 Integrated and Binding Agreement. This Agreement contains the entire understanding and agreement among the Members with respect to the subject matter hereof, and there are no other agreements, understandings, representations or warranties among the Members other than those set forth herein and in the Subscription Agreement. This Agreement may be amended only as provided in this Agreement.

17.16 Legal Counsel. Each Member acknowledges and agrees that counsel representing the Company, the Manager and its Affiliates does not represent and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Members, other than the Manager and its Affiliates (if applicable), in any respect. In addition, each Member consents to the Manager hiring counsel for the Company which is also counsel to the Manager.

17.17 Title to Company Property. All Property owned by the Company shall be owned by the Company as an entity and, insofar as permitted by applicable law, no Member shall have any ownership interest in or any right to seek a partition or transfer of any Company Property in its individual name or right, and each Member's membership interest shall be personal property for all purposes.

17.18 Electronic Signatures. Any electronic signature of a party to this Agreement and of a party to take any action related to this Agreement or any agreement entered into by this Company shall be valid as an original signature and shall be effective and binding. Any such electronic signature (including the signature(s) to this Agreement) shall be deemed to (i) be "written" or "in writing," (ii) have been signed and (iii) constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files.

IN WITNESS WHEREOF, this Agreement is effective as of the date first set forth in the preamble.

MANAGER:

Ginkgo Multifamily OP LP, a
Delaware limited partnership

By: Ginkgo REIT, Inc., a
Maryland corporation
Its: General Partner

By: _____
Name: Eric Rohm
Title: Co-CEO

INITIAL MEMBER:

_____
WILLIAM C. GREEN

EXHIBIT A

DEFINITIONS

"Acquisition Fee" shall have the meaning set forth in Section 6.1.1.

"Act" shall mean the Delaware Limited Liability Company Act, as the same may be amended from time to time.

"Additional Interests" shall have the meaning set forth in Section 3.5.

"Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which the Member is obligated to restore and the Member's share of Member Minimum Gain and Company Minimum Gain; and

(ii) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6).

"Adjustment Year" shall have the meaning set forth in Code Section 6225(d)(2).

"Advisor" means Ginkgo Residential LLC, a North Carolina limited liability company, as the external advisor to Ginkgo REIT.

"Affiliate" shall mean (i) any Person directly or indirectly controlling, controlled by or under common control with another Person, (ii) a Person owning or controlling 10% or more of the outstanding voting securities of such other Person, and (iii) any officer, director or partner of such other Person and if such other Person is an officer, director or partner, any company for which such Person acts in any capacity.

"Agreement" shall mean this Limited Liability Company Agreement, as amended from time to time.

"Asset Management Fee" shall have the meaning set forth in Section 6.1.2.

"Book Gain" shall mean the excess, if any, of the fair market value of the Property over its adjusted basis for federal income tax purposes at the time a valuation of the Property is required under this Agreement or Treasury Regulations Section 1.704-1(b) for purposes of making adjustments to the Capital Accounts.

"Book Loss" shall mean the excess, if any, of the adjusted basis of Property for federal income tax purposes over its fair market value at the time a valuation of the Property is required under this Agreement or Treasury Regulations Section 1.704-1(b) for purposes of making adjustments to the Capital Accounts.

"Book Value" shall mean the adjusted basis of Property for federal income tax purposes increased or decreased by Book Gain, Book Loss, Built-In Gain and Built-In Loss as reduced by depreciation, amortization or other cost recovery deductions, or otherwise, based on such Book Value.

"Built-In Gain (or Loss)" shall mean the amount, if any, by which the agreed value of contributed Property exceeds (or is lesser than) the adjusted basis of Property contributed to the Company by a Member immediately after its contribution by the Member to the capital of the Company.

"Capital Account" with respect to any Member (or such Member's assignee) shall mean such Member's initial Capital Contribution adjusted as follows:

(i) A Member's Capital Account shall be increased by:

(a) such Member's share of Net Income;

(b) any item of income or gain specially allocated to a Member and not included in Net Income or Net Loss;

(c) any additional cash Capital Contribution made by such Member to the Company; and

(d) the fair market value of any additional Capital Contribution, as determined by the Manager, consisting of property contributed by such Member to the capital of the Company reduced by any liabilities assumed by the Company in connection with such contribution or to which the Property is subject.

(ii) A Member's Capital Account shall be reduced by:

(a) such Member's share of Net Loss;

(b) any loss or deduction specially allocated to a Member and not included in Net Income or Net Loss;

(c) any cash Distribution made to such Member; and

(d) the fair market value, as determined by the Manager, of any Property (reduced by any liabilities assumed by the Member in connection with the Distribution or to which the distributed Property is subject) distributed to such Member; provided that, upon liquidation and winding up of the Company, unsold Property will be valued for Distribution at its fair market value and the Capital Account of each Member before such Distribution shall be adjusted to reflect the allocation of gain or loss that would have been realized had the Company then sold the Property for its fair market value. Such fair market value shall not be less than the amount of any nonrecourse indebtedness that is secured by the Property.

Property other than money may not be contributed to the Company except as specifically provided in this Agreement. Property of the Company may not be revalued for purposes of calculating Capital Accounts unless the Manager determines the fair market value of the Property and the Company complies with the requirements of Treasury Regulations Section 1.704-1(b)(2)(iv)(f) and (g); provided, however, for purposes of calculating Book Gain or Book Loss (but not for purposes of adjusting Capital Accounts to reflect the contribution and distribution of such Property), the fair market value of Property shall be deemed to be no less than the outstanding balance of any nonrecourse indebtedness secured by such Property.

The Capital Account of a Substituted Member shall include the Capital Account of its transferor. Notwithstanding anything to the contrary in this Agreement, the Capital Accounts shall be maintained in accordance with Treasury Regulations Section 1.704-1(b). For purposes of this Agreement, any references to the Treasury Regulations shall include corresponding subsequent provisions.

"Capital Commitment" shall mean, with respect to each Member holding Class I Units, the aggregate amount of cash agreed by such Member to be contributed as capital to the Company by such Member minus such Member's Capital Contributions.

"Capital Contribution" shall mean the gross amount invested in the Company by a Member and shall be equal in amount to the cash purchase price paid by such Member for the Units sold to the Member by the Company. In the plural, "Capital Contributions" shall mean the aggregate amount invested by all of the Members in the Company and shall equal, in total, the sum of the amount attributable to the purchase of Units and the contributions of the Manager.

"Cash From Operations" shall mean the net cash realized by the Company from all sources, including, but not limited to, the operations of the Company and distributions from the JVs, including the sale, exchange or transfer of a Property by a JV, after payment of all cash expenditures of the Company, including, but not limited to, all operating expenses including all fees payable to the Manager or Affiliates, all payments of principal and interest on indebtedness, expenses for repairs and maintenance, capital improvements and replacements, and such reserves and retentions as the Manager reasonably determines to be necessary and desirable in connection with Company operations with its then existing assets and any anticipated acquisitions.

"Certificate of Cancellation" shall mean the certificate of cancellation filed with the Office of the Secretary of State of the state of Delaware.

"Certificate of Formation" shall mean the Certificate of Formation of the Company as filed with the office of the Secretary of State of the state of Delaware as the same may be amended or restated from time to time.

"Class A1 Unit" shall mean a Unit designated when issued as "Class A1."

"Class A2 Unit" shall mean a Unit designated when issued as "Class A2."

"Class I Unit" shall mean a Unit designated when issued as "Class I."

"Code" shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequently enacted federal revenue laws.

"Company" shall mean Ginkgo GP Fund II LLC, a Delaware limited liability company.

"Company Minimum Gain" shall have the same meaning as "partnership minimum gain" as set forth in Treasury Regulations Section 1.704-2(d).

"Construction Management Fee" shall have the meaning set forth in Section 6.1.6.

"Disposition Fee" shall have the meaning set forth in Section 6.1.5.

"Disposition Period" shall have the meaning set forth in Section 3.8.

"Dissolution Event" shall mean with respect to the Manager one or more of the following: the death, insanity, withdrawal, retirement, resignation, expulsion, Event of Insolvency or dissolution (unless reconstituted by the Manager) of the Manager unless the Members consent to continue the business of the Company pursuant to Section 8.2.5.

"Distribution" shall mean any money or other property transferred without consideration (other than repurchased Units) to Members or Owners with respect to their interests or Units in the Company, but shall not include any payments to the Manager pursuant to Section 6.

"Economic Interest" shall mean an interest in the Net Income, Net Loss and Distributions of the Company but shall not include any right to vote or to participate in the management of the Company.

"Economic Interest Owner" shall mean the owner of an Economic Interest who is not a Member.

"Elected Amount" shall have the meaning set forth in Section 3.6.

"Employee Benefit Plan" shall have the meaning set forth in Section 3(3) of the Employee Retirement Income Security Act of 1974.

"Escrow Account" shall have the meaning set forth in Section 3.2.9.

"Escrow Release Date" shall have the meaning set forth in Section 3.2.9.

"Event of Insolvency" shall occur when an order for relief against the Manager is entered under Chapter 7 of the federal bankruptcy law, or (a) the Manager (i) makes a general assignment for the benefit of creditors, (ii) files a voluntary petition under the federal bankruptcy law, (iii) files a petition or answer seeking for that Manager a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, (iv) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Manager in any proceeding of this nature or (v) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of that Manager or of all or a substantial part of that Manager's properties or (b) the expiration of 60 days after either (i) the commencement of any proceeding against the Manager seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law, or regulation, if the proceeding has not been dismissed or (ii) the appointment without the Manager's consent or acquiescence of a trustee, receiver, or liquidator of the Manager or of all or any substantial part of the Manager's properties, if the appointment has not been vacated or stayed (or if within 60 days after the expiration of any such stay, the appointment is not vacated).

"Ginkgo REIT" means Ginkgo REIT Inc., a Maryland corporation.

"Imputed Underpayment" shall have the meaning set forth in Section 12.7.2(a).

"Indemnified Party" shall have the meaning set forth in Section 8.8.

"Initial Member" shall mean William C. Green.

"Interest" shall mean a Membership Interest or an Economic Interest.

"Investment Period" shall have the meaning set forth in Section 3.7.1.

"JVs" shall mean the real estate operating companies that own Projects in which the Company invests directly or indirectly through special purpose entities.

"Liquidation" shall mean in respect to the Company the date upon which the Company ceases to be a going concern (even though it may exist for purposes of winding up its affairs, paying its debts and distributing any remaining balance to its Members), and in respect to a Member where the Company is not in Liquidation shall mean the date upon which occurs the termination of the Member's entire interest in the Company by means of a Distribution or the making of the last of a series of Distributions (whether or not made in more than one year) to the Member by the Company.

"Majority Vote" shall mean the vote of more than 50% of the Units entitled to vote. Members shall be entitled to cast one vote for each Unit they own, and a fractional vote for each fractional Unit they own.

"Manager" shall mean Ginkgo Multifamily OP LP, a Delaware limited partnership. The term "Manager" shall also refer to any successor or additional Manager who is admitted to the Company as the Manager.

"Manager's Interest" shall mean the Manager's interest in the Company, including, but not limited to, allocation of profits.

"Member" shall mean any holder of a Unit who is admitted to the Company as a Member, including the Manager to the extent it has acquired Units.

"Member Minimum Gain" shall mean "partner nonrecourse debt minimum gain" as determined under Treasury Regulations Section 1.704-2(i)(3).

"Member Nonrecourse Debt" shall mean "partner nonrecourse debt" as set forth in Treasury Regulations Section 1.704-2(b)(4).

"Member Nonrecourse Deductions" shall mean "partner nonrecourse deductions" and the amount thereof shall be as set forth in Treasury Regulations Section 1.704-2(i).

"Membership Interest" shall mean a Member's entire interest in the Company including such Member's Economic Interest and such voting and other rights and privileges that the Member may enjoy by being a Member.

"Memorandum" shall mean the Confidential Private Placement Memorandum of the Company pertaining to the Offering distributed to potential purchasers of Units, as may be amended or supplemented from time to time.

"Minimum Offering Amount" shall mean the sale of $2,000,000 of Units.

"Net Capital Contributions" shall mean the Members' original Capital Contributions reduced by any Distribution to the Members pursuant to Section 5.1.2 and a Member's Net Capital Contribution shall mean such Member's original Capital Contribution reduced by any Distribution to such Member pursuant to Section 5.1.2.

"Net Income" or "Net Loss" shall mean, respectively, for each taxable year of the Company the taxable income and taxable loss (exclusive of Built-In Gain or Loss) of the Company as determined for federal income tax purposes in accordance with Code Section 703(a) (including all items of income, gain, loss, or deduction required to be separately stated pursuant to Code Section 703(a)(1)) (other than any specific item of income, gain (exclusive of Built-In Gain), loss (exclusive of Built-In Loss), deduction or credit subject to special allocation under this Agreement), with the following modifications:

(i) The amount determined above shall be increased by any income exempt from federal income tax;

(ii) The amount determined above shall be reduced by any expenditures described in Code Section 705(a)(2)(B) or expenditures treated as such pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i);

(iii) Depreciation, amortization and other cost recovery deductions shall be computed based on Book Value instead of on the amount determined in computing taxable income or loss. Any item of deduction, amortization or cost recovery specially allocated to a Member and not included in Net Income or Net Loss shall be determined for Capital Account purposes in a similar manner; and

(iv) For purposes of this Agreement, Book Gain and Book Loss attributable to a revaluation of Property attributable to unrealized gain or loss in such Property shall be treated as Net Income and Net Loss.

"Nonrecourse Debt" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(3).

"Nonrecourse Deductions" shall have the meaning, and the amount thereof shall be, as set forth in Treasury Regulations Section 1.704-2(c).

"Offer Notice" shall have the meaning set forth in Section 3.6.

"Offering" shall mean the offering and sale of the Units made in accordance with the provisions of Section 3.2.

"Offering Termination Date" shall mean the date the Offering of Units will terminate, which is the earliest of (i) the date all 5,000 Units are sold, (ii) December 31, 2026 or (iii) the Manager determines, in its sole discretion, to terminate the Offering.

"Organization and Offering Expenses" shall mean all expenses incurred in connection with the organization and formation of the Company, the preparation of the Offering materials, and the marketing and sale of the Units, including but not limited to legal, accounting, tax planning fees, promotional fees or expenses, filing and recording fees, market research and surveys, property inspections and research, engineering services, printing costs, securities sales commissions, travel expenses and other costs or expenses incurred in connection therewith.

"Owner" shall mean a Member or the holder of an Economic Interest.

"Partnership Representative" shall have the meaning set forth in Section 12.7.1.

"Person" shall mean a natural person, corporation, limited partnership, general partnership, joint stock company, joint venture, association, company, trust, bank trust company, land trust, business trust, statutory trust or other organization, whether or not a legal entity, and a government or agency or political subdivision thereof.

"Preferred Return" shall mean an amount equal to a 10% cumulative but not compounded annual return on a Member's Net Capital Contribution.

"Prime Rate" shall mean the reference rate announced from time-to-time by the Wall Street Journal, and changes in the Prime Rate shall be deemed to occur on the date that changes in such rate are announced.

"Projects" shall mean the real estate properties and projects acquired by the Company directly or indirectly through special purpose entities, including the JVs.

"Property" shall mean any or all of such real property or tangible or intangible personal property or properties as may be acquired by the Company, including the Projects acquired indirectly by the Company through the JVs.

"Property Management Fee" shall have the meaning set forth in Section 6.1.4.

"Property Manager" shall mean Ginkgo Residential LLC, a North Carolina limited liability company.

"Proprietary Information" shall have the meaning set forth in Section 1.8.

"Regulatory Allocations" shall mean the allocations set forth in Sections 4.2.1 through 4.2.7.

"REIT Investor" means a Member that, together with such Member's immediate family members, are holders of REIT Units as of the date of their admission to the Company as a Member; provided that, any Member that no longer holds a REIT Unit count equal to or greater than that count on the date of such Member's admission to the Company through December 31, 2030 shall no longer be considered a REIT Investor.

"REIT Units" means shares of stock in Ginkgo REIT or limited partnership units (common, preferred or otherwise) in Ginkgo Multifamily OP LP.

"Subscription Agreement" means the agreement, in the form attached to the Memorandum, by which each Person desiring to become a Member shall evidence (i) the number of Units which such Person wishes to acquire, (ii) such Person's agreement to become a party to, and be bound by the provisions of, this Agreement and (iii) certain representations regarding the Person's finances and investment intent.

"Subscription Payment" shall mean the cash payment that must accompany each subscription for Units sold through the Offering.

"Substituted Member" shall mean any Person admitted as a substituted Member pursuant to this Agreement.

"Tax Payment" shall have the meaning set forth in Section 4.12.1.

"Unit" shall represent an interest in the Company entitling the owner of the Unit if admitted as a Member to the respective voting and other rights afforded to a Member, and affording to such Member a share in Net Income, Net Loss and Distributions as provided for in this Agreement. A Unit shall be a Class A1 Unit, a Class A2 Unit or a Class I Unit.