ALLIANT STRATEGIC OPPORTUNITY ZONE FUND I, LLC

October 20, 2021

Supplement No. 4 to the Confidential Private Placement Memorandum
dated September 24, 2019

This Supplement (this "Supplement") supplements and amends, and should be read in conjunction with, the Confidential Private Placement Memorandum dated September 24, 2019, as supplemented by that certain Supplement No. 1 dated October 14, 2019, that certain Supplement No. 2 dated June 19, 2020 and that certain Supplement No. 3 dated December 9, 2020 (as so supplemented, the "Memorandum"), of Alliant Strategic Opportunity Zone Fund I, LLC (the "Company") relating to the offering of Membership Interests in the Company. Capitalized terms used and not otherwise defined herein have the meanings set forth in the Memorandum.

This Supplement is being circulated on a confidential basis to a limited number of prospective investors for the sole purpose of evaluating an investment in the Membership Interests. This Supplement may only be used by such prospective investors (and those who assist in each prospective investor's investment decision) to evaluate an investment in the Company and not for any other purpose. Any reproduction or distribution of this Supplement, in whole or in part, or the disclosure of any of its contents, is prohibited, and all recipients agree that they will keep confidential all information contained herein not already in the public domain. Acceptance of this Supplement by prospective investors constitutes an agreement to be bound by the foregoing terms.

This Supplement is provided for assistance only and is not intended to be and must not be taken alone as the basis for an investment decision. Prospective investors should not construe the contents of this Supplement as legal, business, tax, financial, investment, accounting or other advice. Each prospective investor must make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities offered herby (including the merits and risks involved) and should consult its own advisors with respect to legal, tax, financial, accounting and related matters to determine the merits and risks of such an investment. No person has been authorized to give any information or to make any representation other than that which is contained in this Supplement and, if given or made, such information or representation must not be relied upon as having been authorized.

This Supplement does not constitute an offer to sell or a solicitation of an offer to buy the Membership Interests in any jurisdiction to any person to whom it is unlawful to make such an offer

or solicitation in such jurisdiction or to any person who is not an "accredited investor" as defined in the rules and regulations of the United States Securities Act of 1933, as amended (the "Securities Act"). No action has been taken that would, or is intended to, permit a public offer of the Membership Interests in any country or jurisdiction where action for the purpose is required. Accordingly, Membership Interests may not be offered or sold, directly or indirectly, in any country or jurisdiction except where approved in advance by the Managing Member of the Company in its sole discretion and under circumstances that will result in compliance with any applicable laws and regulations. It is the responsibility of any persons wishing to subscribe for these Membership Interests to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of these securities, and any non-U.S. exchange restrictions that may be relevant thereto. See the Memorandum for additional limitations on the offering and resale of the Membership Interests. The Membership Interests are offered subject to prior sale and subject to the right of the Company to reject any subscription in whole or in part.

The Membership Interests are being offered as a private placement to a limited number of investors and have not been and will not be registered under the Securities Act, or any state or other securities laws or the laws of any foreign jurisdiction in reliance on exemptions from such registration. The Company will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (collectively, the "Investment Company Act"). Consequently, investors will not be afforded the protections of the Investment Company Act. The Membership Interests have not been recommended, endorsed, approved or disapproved by any U.S. federal or state, or any non- U.S., securities commission or regulatory authority, nor has any such authority or commission passed on the accuracy or adequacy of this Supplement or the merits of the offering described herein. Any representation to the contrary is unlawful.

The Membership Interests are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state, foreign and other securities laws, pursuant to registration or exemption therefrom. The transferability of Membership Interests is further restricted by the terms of the Company's Operating Agreement (as amended and/or restated from time to time, the "Operating Agreement"). There will not be any public market for the Membership Interests and there is no obligation on the part of any person to register the Membership Interests under the Securities Act, any state securities laws or the laws of any foreign jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Each prospective investor hereby is invited to ask questions of representatives of the Company concerning the terms and conditions of the offering and to obtain any additional information (to the extent such representatives possess such information or can acquire it without unreasonable effort or expense) necessary to verify the accuracy of the information in this Supplement. The obligations of the Managing Member are set forth in, and will be governed by, the Operating Agreement and the Subscription Documents for the Membership Interests, all of which are subject to revision prior to the final closing of the offering. All of the statements and information contained herein are qualified in their entirety by reference to these agreements, copies of which will

be provided to prospective investors upon request and which should be carefully reviewed for complete information concerning the rights and obligations of investors in the Company. In the case of any difference or ambiguity between this Supplement and the Operating Agreement or the Subscription Documents, the Operating Agreement and the Subscription Documents shall control.

In considering the purchase of Membership Interests and reviewing the information contained herein, prospective investors should bear in mind that past performance is not indicative of future results and that there can be no assurance that the Company will generate results comparable to those previously achieved by the sponsors of the Company or achieve their stated investment objectives, or that investors will receive a return of their capital. In addition, any forward-looking statements contained herein are subject to known and unknown risks, uncertainties and other factors which may cause actual results to be materially different from those contemplated in such statements.

Investment in the Membership Interests will involve significant risks and is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Company.

This Supplement is intended to modify and update various provisions of the Memorandum. The Memorandum remains in effect except for the modifications and updates specified herein. Except as otherwise indicated, all information contained in this Supplement and the Memorandum is given as of their respective dates. Neither the delivery of this Supplement nor the Memorandum nor any sale of Membership Interests shall under any circumstances create any implication that there has been no change in our affairs since the stated dates. The Company does not undertake any obligation to update or revise any forward-looking statements contained in this Supplement to reflect events or circumstances occurring after the date of this Supplement or to reflect the occurrence of unanticipated events.

Part I: Overview of Updates to the Memorandum Made by this Supplement

This Supplement reflects updates regarding the extension of the Offering period for the Company and certain material factual information contained in the Memorandum, including as it pertains to the ownership of the Managing Member, provided that the Managing Member has not undertaken to update any or all other factual information in the Memorandum and disclaims any such obligation.

Part II: Updates to the Memorandum

The following are the amendments and modifications to the Memorandum that reflect the updates mentioned above. In the event of any conflict or inconsistency between this Part II and the Memorandum, this Part II shall control.

1. Extension of Final Subscription Date. The outside closing date after which the Managing Member would not have been permitted to admit additional Investor Members and/or accept additional Capital Commitments was originally scheduled to occur on October 17, 2021 (i.e., the date that is 24 months following the Initial Closing Date) (the "Outside Date") pursuant

to clause (c) of the definition of "Final Subscription Date" in the Operating Agreement. The Managing Member has determined that it is in the commercial and best interest of the Company to extend the Outside Date (and, in turn, the Final Subscription Date) to March 31, 2022 (the "Subscription Period Extension") in order to allow more time for the completion of the Offering to raise additional funds for the pursuing of the Company's investment objectives. Accordingly, the Managing Member has obtained the requisite approvals of the Investor Members under the Operating Agreement for the Subscription Period Extension, such that the Company is now permitted to hold additional closings to admit Investor Members and/or accept Capital Commitments until March 31, 2022.

As of the date of this Supplement, the Managing Member has accepted total Capital Commitments (including from the Managing Member and/or its Affiliates) equal to $7,400,000. The Managing Member reserves the right to accept Capital Commitments up to the maximum offering amount of $125,000,000, however, the Managing Member currently believes that it will raise an additional $7,600,000 to $17,600,000, for a total of approximately $15,000,000 to $25,000,000 in Capital Commitments by March 31, 2022. The investment of a smaller sum of money in the Company will likely result in less diversification of the Company's investments than the investment of a larger sum. See "Risk Factors" in the Memorandum. The Managing Member may accept more or less than such amounts in its discretion pursuant to the terms of the Memorandum and the Operating Agreement.

2. Ownership of Managing Member and Adviser. As described in the Memorandum, the Managing Member and the Adviser are wholly owned, indirectly, by Alliant Strategic Investments II, LLC, a Delaware limited liability company ("ASI"). As a result of a corporate reorganization at the ASI-level, effective as of January 1, 2021, ASI is now currently 30% owned (instead of 50%) by Strategic Realty Holdings LLC, a Delaware limited liability company controlled by Edward Lorin ("SRH"), and 70% owned (instead of 50%) and controlled by Palm Drive Associates, LLC, a Delaware limited liability company controlled by Shawn Horwitz ("PDA"), subject to certain minority profits interests in ASI that may be issued to certain key officers and employees of ASI.

   In addition, on August 30, 2021, Walker & Dunlop, Inc. ("Walker & Dunlop") entered into a Purchase Agreement with Alliant Capital, Ltd. ("Alliant Capital"), PDA and their affiliated entities pursuant to which Walker & Dunlop will acquire, directly or indirectly, the entities comprising the business of Alliant Capital and certain of its affiliates, including PDA's ownership interest in ASI (collectively, the "Transaction"). Subject to the receipt of required approvals and the fulfillment of other customary closing conditions, the parties anticipate that the Transaction will close in the fourth quarter of 2021. Following the closing of the Transaction, ASI would no longer be owned by PDA, and would instead be 70% owned and controlled, directly or indirectly, by Walker & Dunlop and 30% owned by SRH, subject to certain minority profits interests in ASI that may be issued to certain key officers and employees of ASI. In addition, following such closing, certain services which are currently provided to ASI and its affiliated entities (including the Company) by Alliant Asset Management Company LLC, as described in the Memorandum, may instead be provided by entities owned by or affiliated with Walker & Dunlop or other third parties. However, no immediate changes in the key officers or employees of ASI, the Adviser, or any affiliated

entities ultimately responsible for the management of the Company, or any other material changes in the business of ASI or such entities, are planned as part of the Transaction, including that the planned closing of the Transaction should not constitute a Key Person Event. Further information concerning the Transaction can be found by reading the following press release: https://www.prnewswire.com/news-releases/walker--dunlop-to-acquire-alliant-capital-and-affiliates-301365534.html.

3. Updated Address. The address of the Company, the Managing Member and the Adviser has been updated to 26050 Mureau Road, Suite 101, Calabasas, CA 91302.

4. COVID-19; Delta Variant. The COVID-19 pandemic is ongoing. During 2020, as noted in the Memorandum, the COVID-19 pandemic created disruption in global supply chains, increased rates of unemployment and adversely impacted many industries. In 2021, the global economy has, with certain setbacks, begun reopening, and wider distribution of vaccines is anticipated to encourage greater economic activity. Nevertheless, there is continued uncertainty regarding the trajectory of a continuing recovery, particularly given the strength of the Delta variant. Accordingly, this recovery remains uneven with dispersion across sectors, regions and markets. The Managing Member will continue to monitor the spread and impact of the Delta variant of COVID-19 and the pandemic generally, however, as noted in the Memorandum, COVID-19 continues to present material uncertainty and risk with respect the Company's overall performance.

5. Tax Considerations. We call to your attention that the IRS issued Notice 2021-10 in response to the COVID-19 pandemic, and it provides further extensions to several of the deadlines discussed in the Memorandum, as supplemented. We note four extensions of particular significance:

   - If a taxpayer's 180-day investment period would have ended between April 1, 2020 and March 31, 2021, the investment period is automatically extended to March 31, 2021. *See the primary discussion of this rule on page 17 of Supplement No. 2.*
   - The failure of a QOF to satisfy the 90% Investment Standard for any testing date that falls between April 1, 2020 and March 31, 2021 is automatically considered due to reasonable cause. *See the primary discussion of this rule on page 22 of Supplement No. 2.*
   - The 30-month period for measuring whether property has been substantially improved is automatically tolled during the period from April 1, 2020 until March 31, 2021. *See the primary discussion of this rule on page 10 of Supplement No. 2.*
   - A qualified opportunity zone business ("QOZB") holding working capital assets intended to be covered by the working capital safe harbor before June 30, 2021, shall receive not more than an additional 24 months, for a maximum safe harbor period of not more than 55 months total (not more than 86 months total for start-up businesses), to expend the working capital assets of the QOZB, as long as the qualified opportunity zone business otherwise meets the requirements of the working capital safe harbor. *See the primary discussion of this rule on page 21 of Supplement No. 2.*

The required holding periods to qualify for the Reduction in Taxable Gain have not been extended. Accordingly, Investors who invest after December 31, 2021 may be able to benefit from

the Initial Gain Deferral until no later than December 31, 2026; however, under current law, the Reduction in Taxable Gain would not be available since the requisite hold period will not have elapsed prior to December 31, 2026. Accordingly, any Investor who makes a Capital Contribution after December 31, 2021 would not be able to benefit from the 10% of Reduction in Taxable Gain with respect to those amounts because the five-year hold period would end after December 31, 2026 or the additional 5% of Reduction in Taxable Gain with respect to those amounts because the seven-year hold period would end after December 31, 2026. *See the primary discussion of this rule on page 9 of Supplement No. 2.*

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Additional Information

Any communications or inquiries relating to this Supplement or the Memorandum should be referred to:

Alliant Strategic Investments II, LLC
26050 Mureau Road, Suite 101
Calabasas, CA 91302
Attention: Investor Relations
Phone: 818-668-6800
Email: InvestorRelations.AlliantStrategic@jtcgroup.com

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS SUPPLEMENT AS LEGAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN ADVISORS AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THIS INVESTMENT. THE INFORMATION IN THIS SUPPLEMENT SHOULD BE READ IN CONJUNCTION WITH THE MEMORANDUM. THE INFORMATION IN THIS SUPPLEMENT AND THE MEMORANDUM ARE CURRENT ONLY AS OF THEIR RESPECTIVE DATES.

ALLIANT STRATEGIC OPPORTUNITY ZONE FUND I, LLC

December 9, 2020

Supplement No. 3 to the Confidential Private Placement Memorandum
dated September 24, 2019

This Supplement (this "Supplement") supplements and amends, and should be read in conjunction with, the Confidential Private Placement Memorandum dated September 24, 2019, as supplemented by that certain Supplement No. 1 dated October 14, 2019 and that certain Supplement No. 2 dated June 19, 2020 (as so supplemented, the "Memorandum"), of Alliant Strategic Opportunity Zone Fund I, LLC (the "Company") relating to the offering of Membership Interests in the Company. Capitalized terms used and not otherwise defined herein have the meanings set forth in the Memorandum.

This Supplement is being circulated on a confidential basis to a limited number of prospective investors for the sole purpose of evaluating an investment in the Membership Interests. This Supplement may only be used by such prospective investors (and those who assist in each prospective investor's investment decision) to evaluate an investment in the Company and not for any other purpose. Any reproduction or distribution of this Supplement, in whole or in part, or the disclosure of any of its contents, is prohibited, and all recipients agree that they will keep confidential all information contained herein not already in the public domain. Acceptance of this Supplement by prospective investors constitutes an agreement to be bound by the foregoing terms.

This Supplement is provided for assistance only and is not intended to be and must not be taken alone as the basis for an investment decision. Prospective investors should not construe the contents of this Supplement as legal, business, tax, financial, investment, accounting or other advice. Each prospective investor must make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities offered herby (including the merits and risks involved) and should consult its own advisors with respect to legal, tax, financial, accounting and related matters to determine the merits and risks of such an investment. No person has been authorized to give any information or to make any representation other than that which is contained in this Supplement and, if given or made, such information or representation must not be relied upon as having been authorized.

This Supplement does not constitute an offer to sell or a solicitation of an offer to buy the Membership Interests in any jurisdiction to any person to whom it is unlawful to make such an offer

or solicitation in such jurisdiction or to any person who is not an "accredited investor" as defined in the rules and regulations of the United States Securities Act of 1933, as amended (the "Securities Act"). No action has been taken that would, or is intended to, permit a public offer of the Membership Interests in any country or jurisdiction where action for the purpose is required. Accordingly, Membership Interests may not be offered or sold, directly or indirectly, in any country or jurisdiction except where approved in advance by the Managing Member of the Company in its sole discretion and under circumstances that will result in compliance with any applicable laws and regulations. It is the responsibility of any persons wishing to subscribe for these Membership Interests to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of these securities, and any non-U.S. exchange restrictions that may be relevant thereto. See the Memorandum for additional limitations on the offering and resale of the Membership Interests. The Membership Interests are offered subject to prior sale and subject to the right of the Company to reject any subscription in whole or in part.

The Membership Interests are being offered as a private placement to a limited number of investors and have not been and will not be registered under the Securities Act, or any state or other securities laws or the laws of any foreign jurisdiction in reliance on exemptions from such registration. The Company will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (collectively, the "Investment Company Act"). Consequently, investors will not be afforded the protections of the Investment Company Act. The Membership Interests have not been recommended, endorsed, approved or disapproved by any U.S. federal or state, or any non- U.S., securities commission or regulatory authority, nor has any such authority or commission passed on the accuracy or adequacy of this Supplement or the merits of the offering described herein. Any representation to the contrary is unlawful.

The Membership Interests are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state, foreign and other securities laws, pursuant to registration or exemption therefrom. The transferability of Membership Interests is further restricted by the terms of the Company's Operating Agreement. There will not be any public market for the Membership Interests and there is no obligation on the part of any person to register the Membership Interests under the Securities Act, any state securities laws or the laws of any foreign jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Each prospective investor hereby is invited to ask questions of representatives of the Company concerning the terms and conditions of the offering and to obtain any additional information (to the extent such representatives possess such information or can acquire it without unreasonable effort or expense) necessary to verify the accuracy of the information in this Supplement. The obligations of the Managing Member are set forth in, and will be governed by, the Operating Agreement and the Subscription Documents for the Membership Interests, all of which are subject to revision prior to the final closing of the offering. All of the statements and information contained herein are qualified in their entirety by reference to these agreements, copies of which will be provided to prospective investors upon request and which should be carefully reviewed for complete information concerning the rights and obligations of investors in the Company. In the case of any difference or ambiguity between this Supplement and the Operating Agreement or the Subscription Documents, the Operating Agreement and the Subscription Documents shall control.

In considering the purchase of Membership Interests and reviewing the information contained herein, prospective investors should bear in mind that past performance is not indicative of future results and that there can be no assurance that the Company will generate results comparable to those previously achieved by the sponsors of the Company or achieve their stated investment objectives, or that investors will receive a return of their capital. In addition, any forward-looking statements contained herein are subject to known and unknown risks, uncertainties and other factors which may cause actual results to be materially different from those contemplated in such statements.

Investment in the Membership Interests will involve significant risks and is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Company.

This Supplement is intended to modify and update various provisions of the Memorandum. The Memorandum remains in effect except for the modifications and updates specified herein. Except as otherwise indicated, all information contained in this Supplement and the Memorandum is given as of their respective dates. Neither the delivery of this Supplement nor the Memorandum nor any sale of Membership Interests shall under any circumstances create any implication that there has been no change in our affairs since the stated dates. The Company does not undertake any obligation to update or revise any forward-looking statements contained in this Supplement to reflect events or circumstances occurring after the date of this Supplement or to reflect the occurrence of unanticipated events.

Part I: Overview of Updates to the Memorandum Made by this Supplement

In response to questions and inquiries by certain potential investors in the Company, the Company has prepared this Supplement to clarify the various types of brokerage fees, commissions and/or placement fees that may be paid in respect of the offering and sale of Membership Interests of the Company. In summary, there are generally three categories of such fees as follows:

Category 1 – Placement Fees.

The Managing Member engaged CommonGood Securities LLC (the "**Managing Broker**") to act as

the exclusive broker with respect to this Offering on behalf of the Managing Member with respect to Investors sourced via registered investment advisors ("**RIAs**"). Under the agreement with the Managing Broker, the Managing Member will cause the Company to pay the Managing Broker an aggregate fee of 1% of all Capital Commitments in the Offering (the "**Master Placement Fee**"). This Master Placement Fee is not applicable to Capital Commitments of the Managing Member or its Affiliates. This Master Placement Fee will be paid by the Company out of the proceeds of the Offering and thus will reduce the amount of proceeds available to make investments. However, for the sake of clarity, the Master Placement Fee shall not reduce, and shall not be in addition to, any Investor Member's deemed Capital Commitment or Capital Contribution to the Company. For example, if an Investor Member makes a Capital Commitment of $300,000 and contributes the full $300,000 to the Company, the Company will credit the Investor Member with having made a $300,000 Capital Contribution and will remit $3,000 as a Master Placement Fee (i.e., 1% of 300,000) to the Managing Broker.

Category 2 – Additional Brokerage Fees Payable by the Managing Member

In addition to the Master Placement Fee, the Managing Member has agreed to pay the following additional fees to the Managing Broker ("**Managing Member-Paid Placement Fees**"):

- 0.25% of all Capital Commitments in the Offering sold through the Managing Broker, payable on each of the first four (4) one-year anniversaries of the closing date of each applicable Capital Commitment (for a total of 1% of each Capital Commitment over such 4-year period); and

- 4.5% of the distributions of Available Cash from operations and Capital Events made by the Company to the Managing Member, or any of its affiliates, multiplied by a fraction, the numerator of which is the total Capital Commitments of Investor Members who purchased Membership Interests sold through the Managing Broker and the denominator of which is the total Capital Commitments of all Investor Members.

For clarity, any and all Managing Member-Paid Placement Fees shall be paid solely by the Managing Member (or its affiliates) and not the Company or any Investor.

Category 3 – Optional Investor-Paid Brokerage Fees

Certain Investors may be represented by a registered broker/dealer (a "**Participating Broker/Dealer**") who charges a fee that must be paid by the applicable Investor to such broker/dealer. Such additional fees will be determined by the applicable Participating Broker/Dealer as a percentage of the total Capital Commitment of the applicable Investor ("**Investor-Paid Participating Broker/Dealer Fees**"). Such Fees, where applicable, are expected to be comprised of up to 7% of the Investor's total Capital Commitment allocable to the applicable registered representative and up to 1% of the Investor's total Capital Commitment allocable to the applicable broker/dealer firm. The Company has recently made arrangements to facilitate the payment of Investor-Paid Participating Broker/Dealer Fees to applicable firms on behalf of electing Investors. If an Investor is making their investment in the Company via a broker/dealer where Investor-Paid Participating Broker/Dealer Fees are payable, then that Investor must complete the applicable

provisions of the Subscription Documents to agree to pay the amount of the Investor-Paid Participating Broker/Dealer Fee to the Participating Broker/Dealer to whom such Fees are payable, in addition to its Capital Commitment to the Company. In any such case, the Investor-Paid Participating Broker/Dealer Fee will be collected and held in escrow by the Company (or its Third Party Administrator or other escrow agent in charge of collecting such payments) at the closing of such Investor's Capital Commitment as an additional fee on top of the amount of such Investor's Capital Commitment. For example, if an Investor Member is making a Capital Commitment of $300,000, all of which is being contributed to the Company at the initial closing of such Capital Commitment, and there is an applicable Investor-Paid Participating Broker/Dealer Fee of 6% (i.e., $18,000), the Investor Member must pay the Company an aggregate of $318,000. The Company (or its Third Party Administrator or other escrow agent in charge of collecting such payments) will credit the Investor Member with having made a $300,000 Capital Contribution and will pay $18,000 to the applicable Participating Broker/Dealer on the Investor Member's behalf.

Part II: Updates to Memorandum

The following are the specific updates to applicable sections of the Memorandum that reflect the summary of the various types of brokerage fees, commissions and/or placement fees that may be paid in respect of the offering and sale of Membership Interests of the Company set forth above:

The portion of the "Summary of the Offering" regarding Organizational Expenses shall be revised as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***):

Organizational Expenses:	The Company will bear the cost of all Organizational Expenses, in an amount not to exceed $500,000, including for counsel, organization of the Managing Member, fees and expenses incurred in relation to the registering and marketing of the Company in any jurisdiction (including travel and accommodation expenses), any other out-of-pocket fees and expenses of the Company and the Managing Member Affiliates for professional services, as described in greater detail in the Operating Agreement. ~~Brokerage fees~~ ***The Master Placement Fee and Investor-Paid Participating Broker/Dealer Fees (each as hereinafter defined)*** payable by the ***Company and the*** Investor Members***, respectively,*** are not included in the cap on Organizational Expenses.

The portion of the "Summary of the Offering" regarding the Placement Fee shall be revised as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***):

Master Placement Fee:	In addition to these Organizational Expenses, the Company will pay the ***Managing*** Broker out of the proceeds of the Offering a fee of 1% of all ***Capital Commitments (but not Capital Commitments of the Managing Member or any Investor Member who is an affiliate of the Managing Member)*** ~~gross~~

	~~proceeds of the Offering sold through its efforts~~ (the "***Master*** Placement Fee").

The portion of the "Summary of the Offering" regarding Managing Member Expenses shall be revised as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***):

Managing Member Expenses:	The Managing Member shall bear (a) expenses incurred by the Adviser or the Managing Member or their respective Affiliates in providing for its normal operating overhead, including all salaries for employees of Adviser or the Managing Member, as applicable, all rent and other general and administrative expenses associated with the maintenance of an office for the Adviser, (b) brokerage fees in respect of the offering and sale of the Interests that it has contracted to pay directly (it being understood that ~~brokerage fees of 1% of the Capital Commitments of each Investor Member~~ ***the Master Placement Fee and Investor-Paid Placement Fees*** shall be borne by ***the Company and*** ~~that~~ ***the*** Investor Member***s, respectively, as further described herein***) and (c) Organizational Expenses in excess of $500,000. For the avoidance of doubt, neither Organizational Expenses of $500,000 or less nor any Operating Expenses shall be Managing Member expenses.

The portion of the "Summary of the Offering" regarding Plan of Distribution shall be revised as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***):

Plan of Distribution:	The Membership Interests are being offered on a "best-efforts" basis by the Managing Member and its officers, directors and employees and by the Selling Group. The Company will pay the ***Managing Broker*** the ***Master*** Placement Fee. ***The Managing Member will pay the Managing Broker certain additional fees (the "Managing Member-Paid Placement Fees"). Certain Investor Members may also pay Investor-Paid Participating Broker/Dealer Fees (as defined hereinbelow).*** The initial closing shall occur at such time that shall be determined in the Managing Member's sole discretion. The Offering will conclude on the earliest of (a) the date on which the maximum amount of Membership Interests has been sold, (b) the date on which the Managing Member, in its sole discretion and without further notice to investors, determines to conclude the offering, and (c) the twenty-four month anniversary of the first closing. (See "Plan of Distribution.")

The second to last paragraph of the Section of the Memorandum titled "Terms of the Offering" shall be amended and restated in its entirety as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***):

"All Organizational Expenses in an amount not to exceed $500,000 will be borne by the Company. In addition to these Organizational Expenses, the Company will pay the Managing Broker out of the proceeds of the Offering the Master Placement Fee."

The first paragraph of the Section of the Memorandum titled "Plan of Distribution" shall be amended and restated in its entirety as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***):

"Up to $125,000,000 of Membership Interests will be offered and sold on a "best efforts" basis through the Managing Member and its officers, directors and employees, the ***Managing Broker*** and the Selling Group. In May 2019, ***the Managing Member*** ~~we~~ entered into an ***agreement*** ~~exclusive Broker Agreement~~ with the ***Managing Broker*** to act as ***the exclusive broker*** with respect to this Offering ***on behalf of the Managing Member with respect to Investors sourced via registered investment advisors ("RIAs"). Under the agreement with the Managing Broker, the Managing Member will cause the Company to pay the Managing Broker an aggregate fee of 1% of all Capital Commitments in the Offering (the "Master Placement Fee"). This Master Placement Fee is not applicable to Capital Commitments of the Managing Member or its Affiliates. This Master Placement Fee will be paid by the Company out of the proceeds of the Offering and thus will reduce the amount of proceeds available to make investments. However, for the sake of clarity, the Master Placement Fee shall not reduce, and shall not be in addition to, any Investor Member's deemed Capital Commitment or Capital Contribution to the Company. For example, if an Investor Member makes a Capital Commitment of $300,000 and contributes the full $300,000 to the Company, the Company will credit the Investor Member with having made a $300,000 Capital Contribution and will remit $3,000 as a Master Placement Fee (i.e., 1% of 300,000) to the Managing Broker.*** ~~Under the Broker Agreement, the Company will pay, or will cause the investors to pay, the Broker a one-time fee of 1% of all gross proceeds in the Offering sold through it. This fee will be borne by the investors.~~

The Managing Member has also agreed to pay the ***Managing Broker the following*** additional amounts that will be borne solely by the Managing Member ***("Managing Member-Paid Placement Fees")***:"

- ***0.25% of all Capital Commitments in the Offering sold through the Managing Broker, payable on each of the first four (4) one-year anniversaries of the closing date of each applicable Capital Commitment (for a total of 1% of each Capital Commitment over such 4-year period); and***

- ***4.5% of the distributions of Available Cash from operations and Capital Events made by the Company to the Managing Member, or any of its affiliates, multiplied by a fraction, the numerator of which is the total Capital Commitments of Investor Members who purchased Membership Interests sold through the Managing Broker and the denominator of which is the total Capital Commitments of all Investor Members.***

For clarity, any and all Managing Member-Paid Placement Fees shall be paid solely by the Managing Member (or its affiliates).

As noted above, certain Investors may be represented by a registered broker/dealer (a "Participating Broker/Dealer") who charges a fee that must be paid by the applicable Investor to such broker/dealer. Such additional fees will be determined by the applicable Participating Broker/Dealer as a percentage of the total Capital Commitment of the applicable Investor ("Investor-Paid Participating Broker/Dealer Fees"). Such Fees, where applicable, are expected to be comprised of up to 7% of the Investor's total Capital Commitment allocable to the applicable registered representative and up to 1% of the Investor's total Capital Commitment allocable to the applicable broker/dealer firm. The Company has recently made arrangements to facilitate the payment of Investor-Paid Participating Broker/Dealer Fees to applicable firms on behalf of electing Investors. If an Investor is making their investment in the Company via a broker/dealer where Investor-Paid Participating Broker/Dealer Fees are payable, then that Investor must complete the applicable provisions of the Subscription Documents to agree to pay the amount of the Investor-Paid Participating Broker/Dealer Fee to the Participating Broker/Dealer to whom such Fees are payable, in addition to its Capital Commitment to the Company. In any such case, the Investor-Paid Participating Broker/Dealer Fee will be collected and held in escrow by the Company (or its Third Party Administrator or other escrow agent in charge of collecting such payments) at the closing of such Investor's Capital Commitment as an additional fee on top of the amount of such Investor's Capital Commitment. For example, if an Investor Member is making a Capital Commitment of $300,000, all of which is being contributed to the Company at the initial closing of such Capital Commitment, and there is an applicable Investor-Paid Participating Broker/Dealer Fee of 6% (i.e., $18,000), the Investor Member must pay the Company an aggregate of $318,000. The Company (or its Third Party Administrator or other escrow agent in charge of collecting such payments) will credit the Investor Member with having made a $300,000 Capital Contribution and will pay $18,000 to the applicable Participating Broker/Dealer on the Investor Member's behalf."

In Appendix A, "Table of Defined Terms", the definition of "Broker" shall be amended and restated in its entirety as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***) and all references to the "Broker" in the Memorandum shall be deemed to refer to the "Managing Broker":

"***Managing Broker***" means CommonGood Securities LLC, a FINRA and SIPC registered broker dealer registered as such with the Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority.

In Appendix A, "Table of Defined Terms", the definition of "Placement Fee" shall be amended and restated in its entirety as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***) and all references to the "Placement Fee" in the Memorandum shall be deemed to refer to the "Master Placement Fee":

"***Master*** Placement Fee" means a placement fee that the Company will pay the ***Managing Broker*** out of the proceeds of the Offering equaling 1% of all ~~gross proceeds of the Offering~~ ***Capital Commitments*** ~~sold through its efforts~~ ***(but not Capital Commitments of the Managing Member or***

any Investor Member who is an affiliate of the Managing Member).”

In Appendix A, “Table of Defined Terms”, the definition of “Operating Expenses” shall be amended to add Master Placement Fees as part of Operating Expenses.

Part III: Amendment to Operating Agreement. The following shall update and amend all provisions of the Memorandum that describe the terms of the Operating Agreement, including as set forth under the heading “DESCRIPTION OF THE INTERESTS AND OPERATING AGREEMENT” starting on page 68 of the Memorandum and corresponding sections of the “SUMMARY OF THE OFFERING” starting on page 3 of the Memorandum:

The Company’s Operating Agreement has been amended to clarify that the Master Placement Fee is payable by the Company and is part of Operational Expenses (and not Managing Member Expenses). These amendments are set forth in Amendment No. 2 to the Operating Agreement, dated of even date with this Supplement to the Memorandum, a copy of which is attached hereto as Exhibit A. The amendments described in this paragraph were all made pursuant to the Managing Member’s unilateral authority to make certain types of amendments without approval of the Members as permitted by Section 11.1(a) of the Operating Agreement, including to correct errors and cure ambiguities. References in this Supplement and the Memorandum to the Company’s “Operating Agreement” shall be deemed to refer to said Operating Agreement, as the same has been amended by Amendment No. 1 and Amendment No. 2, and as it may be further amended and/or restated, except where the context otherwise requires. To the extent there is any inconsistency between the Memorandum or this Supplement, on the one hand, and the Operating Agreement, on the other hand, the Operating Agreement shall govern.

Additional Information

Any communications or inquiries relating to this Supplement or the Memorandum should be referred to:

Alliant Strategic Investments II, LLC
21600 Oxnard Street, Suite 1200
Woodland Hills, California 91367
Attention: Investor Relations
Phone: 818-668-6800
Email: Investors@alliantstrategic.com

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS SUPPLEMENT AS LEGAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN ADVISORS AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THIS INVESTMENT. THE INFORMATION IN THIS SUPPLEMENT SHOULD BE READ IN CONJUNCTION WITH THE MEMORANDUM. THE INFORMATION IN THIS SUPPLEMENT AND THE MEMORANDUM ARE CURRENT ONLY AS OF THEIR RESPECTIVE DATES.

Exhibit A

Operating Agreement Amendment No. 2

[See Attached.]

ALLIANT STRATEGIC OPPORTUNITY ZONE FUND I, LLC

June 19, 2020

Supplement No. 2 to the Confidential Private Placement Memorandum
dated September 24, 2019

This Supplement (this "Supplement") supplements and amends, and should be read in conjunction with, the Confidential Private Placement Memorandum dated September 24, 2019, as supplemented by that certain Supplement No. 1 dated October 14, 2019 (as so supplemented, the "Memorandum"), of Alliant Strategic Opportunity Zone Fund I, LLC (the "Company") relating to the offering of Membership Interests in the Company. Capitalized terms used and not otherwise defined herein have the meanings set forth in the Memorandum.

This Supplement is being circulated on a confidential basis to a limited number of prospective investors for the sole purpose of evaluating an investment in the Membership Interests. This Supplement may only be used by such prospective investors (and those who assist in each prospective investor's investment decision) to evaluate an investment in the Company and not for any other purpose. Any reproduction or distribution of this Supplement, in whole or in part, or the disclosure of any of its contents, is prohibited, and all recipients agree that they will keep confidential all information contained herein not already in the public domain. Acceptance of this Supplement by prospective investors constitutes an agreement to be bound by the foregoing terms.

This Supplement is provided for assistance only and is not intended to be and must not be taken alone as the basis for an investment decision. Prospective investors should not construe the contents of this Supplement as legal, business, tax, financial, investment, accounting or other advice. Each prospective investor must make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities offered herby (including the merits and risks involved) and should consult its own advisors with respect to legal, tax, financial, accounting and related matters to determine the merits and risks of such an investment. No person has been authorized to give any information or to make any representation other than that which is contained in this Supplement and, if given or made, such information or representation must not be relied upon as having been authorized.

This Supplement does not constitute an offer to sell or a solicitation of an offer to buy the Membership Interests in any jurisdiction to any person to whom it is unlawful to make such an offer

or solicitation in such jurisdiction or to any person who is not an "accredited investor" as defined in the rules and regulations of the United States Securities Act of 1933, as amended (the "Securities Act"). No action has been taken that would, or is intended to, permit a public offer of the Membership Interests in any country or jurisdiction where action for the purpose is required. Accordingly, Membership Interests may not be offered or sold, directly or indirectly, in any country or jurisdiction except where approved in advance by the Managing Member of the Company in its sole discretion and under circumstances that will result in compliance with any applicable laws and regulations. It is the responsibility of any persons wishing to subscribe for these Membership Interests to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of these securities, and any non-U.S. exchange restrictions that may be relevant thereto. See the Memorandum for additional limitations on the offering and resale of the Membership Interests. The Membership Interests are offered subject to prior sale and subject to the right of the Company to reject any subscription in whole or in part.

The Membership Interests are being offered as a private placement to a limited number of investors and have not been and will not be registered under the Securities Act, or any state or other securities laws or the laws of any foreign jurisdiction in reliance on exemptions from such registration. The Company will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (collectively, the "Investment Company Act"). Consequently, investors will not be afforded the protections of the Investment Company Act. The Membership Interests have not been recommended, endorsed, approved or disapproved by any U.S. federal or state, or any non- U.S., securities commission or regulatory authority, nor has any such authority or commission passed on the accuracy or adequacy of this Supplement or the merits of the offering described herein. Any representation to the contrary is unlawful.

The Membership Interests are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state, foreign and other securities laws, pursuant to registration or exemption therefrom. The transferability of Membership Interests is further restricted by the terms of the Company's Operating Agreement. There will not be any public market for the Membership Interests and there is no obligation on the part of any person to register the Membership Interests under the Securities Act, any state securities laws or the laws of any foreign jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Each prospective investor hereby is invited to ask questions of representatives of the Company concerning the terms and conditions of the offering and to obtain any additional information (to the extent such representatives possess such information or can acquire it without unreasonable effort or expense) necessary to verify the accuracy of the information in this Supplement. The obligations of the Managing Member are set forth in, and will be governed by, the Operating Agreement and the Subscription Documents for the Membership Interests, all of which are subject to revision prior to the final closing of the offering. All of the statements and information contained herein are qualified in their entirety by reference to these agreements, copies of which will be provided to prospective investors upon request and which should be carefully reviewed for complete information concerning the rights and obligations of investors in the Company. In the case of any difference or ambiguity between this Supplement and the Operating Agreement or the Subscription Documents, the Operating Agreement and the Subscription Documents shall control.

In considering the purchase of Membership Interests and reviewing the information contained herein, prospective investors should bear in mind that past performance is not indicative of future results and that there can be no assurance that the Company will generate results comparable to those previously achieved by the sponsors of the Company or achieve their stated investment objectives, or that investors will receive a return of their capital. In addition, any forward-looking statements contained herein are subject to known and unknown risks, uncertainties and other factors which may cause actual results to be materially different from those contemplated in such statements.

Investment in the Membership Interests will involve significant risks and is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Company.

This Supplement is intended to modify and update various provisions of the Memorandum. The Memorandum remains in effect except for the modifications and updates specified herein. Except as otherwise indicated, all information contained in this Supplement and the Memorandum is given as of their respective dates. Neither the delivery of this Supplement nor the Memorandum nor any sale of Membership Interests shall under any circumstances create any implication that there has been no change in our affairs since the stated dates. The Company does not undertake any obligation to update or revise any forward-looking statements contained in this Supplement to reflect events or circumstances occurring after the date of this Supplement or to reflect the occurrence of unanticipated events.

Updates to Memorandum

I. Coronavirus Risk Factor. The following additional risk factor is added to the Section of the Memorandum entitled "RISK FACTORS" and subsection "Risks Related to Investments in Real Estate" commencing on page 16 of the Memorandum:

The coronavirus outbreak could impact our operations. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic has spread globally, including to every state in the United States. It has caused, and is likely to continue to cause, severe economic, market and other disruptions worldwide and throughout the United States,

including reduced economic activity, increased unemployment and substantial disruption to daily activities. The pandemic may force our employees to work remotely, which may adversely impact our ability to effectively manage our business, or may result in staffing shortages for project construction and management activities. The pandemic and measures taken or being considered by federal, state and local authorities to prevent its spread in the United States could have a material adverse effect on the Company, including on the offering process, acquisition of properties, financing of projects, construction and lease-up timelines, occupancy, operations and cash flows. For example, many localities, including some where the Company may seek to purchase Investment Properties, have instituted quarantines, "shelter in place" rules or restrictions on types of business that may continue to operate. Such disruptions from COVID-19 may delay or prevent the acquisition of Investment Properties and development projects involving Investment Properties. Such disruptions and delays may materially and adversely affect the Company and its business and results of operations. The extent to which the COVID-19 pandemic impacts our business and results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus, the ultimate geographic spread of the coronavirus, the duration of the outbreak, and the actions taken throughout the world, including in localities where we operate or seek to operate, to contain the pandemic or treat its impacts.

II. Updated Tax Risks. The following shall replace in its entirety the Section of the Memorandum entitled "RISK FACTORS--Tax Risks" commencing on page 21 of the Memorandum:

Tax Risks

There is general tax risk associated with this investment. There are substantial tax risks associated with the federal income tax aspects of an investment in the Company. The Company intends to be taxed as a partnership for federal income tax purposes. In addition to continuing IRS reexamination of the tax treatment of partnerships, the income tax consequences of an investment in the Membership Interests are complex, and recent tax legislation has made substantial revisions to the Code. Many of these changes, including changes in the taxation of limited partnerships and their limited partners, affect the tax benefits generally associated with an investment in a limited partnership. The following paragraphs summarize some of the tax risks to the Investor Members that are "U.S. Investors" (as defined below under "U.S. Federal Income Tax Considerations"). Because the tax aspects of the investments and business operations contemplated by this Offering are complex, and certain of the tax consequences may differ depending on individual tax circumstances, each potential Investor is urged to consult with and rely on his, her or its own tax advisor concerning the tax aspects of this Offering, and his, her, or its specific situation. **No representation or warranty of any kind is made with respect to the IRS's or any other taxing authority's acceptance of the treatment of any item by us or by an Investor.**

There may be taxable income allocated in excess of distributions. It is anticipated that the Company will engage in significant business activities that may generate substantial ordinary income. The Qualified Opportunity Zone ("QOZ") rules do not reduce or eliminate the tax consequences that may result from this income. Additionally, the Company has not made any commitment to distribute cash or arrange any source of loans of other funds to make distributions when the Initial Gain Deferral lapses, and an Investor is required to include that amount in taxable income at the end of 2026.

Similarly, it is possible that a Member's taxable income resulting from his or her interest will exceed the cash distributions received by such Member in any given year. This may occur, among other reasons, because funds we receive may be taxable income to us while we may use such funds for nondeductible operating or capital expenses or the repayment of loans. Similarly, the Company may be allocated income from the Investment Properties in which it invests, without any distribution of cash. Thus, there may be years in which a Member's tax liability exceeds his, her, or its share of cash distributions from us. Finally, as discussed herein, certain transfers by holders of interests, and certain distributions by the Company can result in an acceleration of the time for taking the Investor's capital gain into account to be earlier than December 31, 2026.

Therefore, each Member should ensure that he, she, or it has sufficient funds from other sources to pay all tax liabilities resulting from the ownership of interests in the Company.

There is a substantial risk that we will be audited. Our federal tax 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. It should be noted that recent changes in the tax law with regard to how the IRS conducts audits of partnerships make it more likely that the IRS will audit entities taxed as partnerships such as the Company. In addition, depending on whether certain elections are made, an investor may become liable for its share of any additions to tax liability that result from an audit.

There is a possible disallowance of our various deductions. The availability, timing, and amount of deductions or allocations of income will depend not only upon general legal principles but also upon various determinations that are subject to potential controversy on factual and other grounds. Such determinations could include, among other things, whether fees paid to the Managing Member or its Affiliates are non-deductible on the ground that such payments are excessive or constitute nondeductible distributions to the Managing Member or an Affiliate. If the IRS were successful, in whole or in part, in challenging us on these issues, the federal income tax benefits of an investment in us, if any, might be materially reduced.

Tax laws are subject to change. The discussion of tax aspects contained in this Memorandum is based on law presently in effect. Nonetheless, investors should be aware that new administrative, legislative, or judicial action could significantly change the tax aspects of an investment in the Company, including any Treasury Regulations regarding the QOZs incentive that may be proposed or finalized in the future. For example, in the past several months, the IRS both proposed regulations and published final regulations with an effective date in 2020. Any such change may or may not have transition rules or elections, and 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 your investment. We have not obtained, and do not plan to obtain, any ruling from the IRS on any matter affecting the Company or any Member, or any tax opinion.

We may generate unrelated business taxable income. This investment is not primarily directed at tax-exempt entities. Tax-exempt entities will generally not have taxable gains. Unless such entities have eligible taxable gain within 180 days of investing in the Company, they will not benefit from the Initial Gain Deferral or the 10-Year Gain Exclusion. Regardless, tax-exempt entities may choose to invest in the Company. Tax-exempt entities are subject to complex tax rules that would affect the

desirability of investing in the Company. If the Company generates taxable income, some or all of its income may be considered unrelated business taxable income. Tax-exempt entities should consult their own tax counsel regarding the effect of any unrelated business taxable income.

Allocations of net income and net loss could be challenged. In order for the allocations of income, gains, deductions, losses, and credits under the Operating 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.

Investment Properties in which the Company invests may face tax risks. The Company expects to make most of its investments into Investment Properties, each of which will face the same tax risks consequences and limitations described above. For example, an Investment Property in which the Company invests could be audited, or could have a disallowance of deductions, and there could be a corresponding adverse result to the Company.

Tax Credit Investments. The Company may invest in Investment Properties that have also received other tax incentives, including, but not limited to, low income housing tax credits, new markets tax credits, historic rehabilitation tax credits, and energy tax credits. Investments in such Investment Properties may result in additional restrictions on development, lower potential for profit, and potentially longer exit timetables due to the tax credit recapture periods. Such investments may also result in additional fees to Managing Member Affiliates if such Affiliates are acting as a syndicator in such transaction. The manner in which these programs are operated can be inconsistent with the QOZ program, and thus it may be difficult for the Company to get the benefit of those tax credits. Further, because of the way these tax credits are realized and the structures used to facilitate generating those tax credits, other investors in the same investments made by the Company, but with the objective of taking advantage of the associated tax credit benefits may get certain economic benefits before investors in the Company can realize any economic benefits. Further, these structures often contain a put right of the tax credit investors, which put right typically is exercised once the applicable tax credit recapture periods have expired. Because the investments made by the Company are being made both for the purpose of generating tax benefits and being profitable, it may be less likely that a tax credit investor would exercise that put right, meaning the tax credit investor may share in some of the Company's investments' "upside." This could reduce the amount of disposition proceeds that get distributed to the Company.

See "U.S. Federal Income Tax Considerations" and "—QOZ Fund Risks" for further discussion.

III. Updated Opportunity Zone Fund Risks. The following shall replace in its entirety the Section of the Memorandum entitled "RISK FACTORS -- Opportunity Zone Fund Risks" commencing on page 23 of the Memorandum:

Opportunity Zone Fund Risks

The QOZ incentive is newly created. Even now that Final Regulations have been issued, there continue to be many unanswered questions related to QOZ investing, and there may still be

significant modifications to the incentive and new guidance issued, which, when issued, may impact the Company in unanticipated ways. The Company presently expects to invest amounts raised from investors by this Offering in real estate development and repositioning projects in QOZs to take advantage of the federal tax benefits for the deployment of private capital through a Qualified Opportunity Fund ("QOF") in certain designated economically distressed areas. While the IRS has provided significant guidance regarding the QOZ Program, there continue to be open question. In addition to the proposed regulations and the final regulations that have already been issued, additional pronouncements and other guidance interpreting or clarifying the QOZ incentive may be published. We cannot predict what impact, if any, such additional guidance may have on the Company's investment strategy but such guidance could adversely affect some or all of the Company's planned investments, making them ineligible for the deferral or exclusion of tax benefits or result in the requirement that an Investor immediately pay taxes on gains that were deferred in expectation that the Company would qualify as a QOF (See "U.S. Federal Income Tax Considerations—Introduction—Current Guidance.") Furthermore, Congressional action could significantly alter the benefits associated with the QOZ incentive.

The failure to invest in a QOF within 180 Days would result in the loss of tax benefits. If an Investor does not invest gain proceeds into a QOF within the Applicable 180-Day Period, the Investor will be ineligible for the benefits of investing in QOZs. The Company will rely on each Investor to make its own determination as to whether such Investor has eligible gain from a sale or exchange and will be investing within 180 days of such sale or exchange. The Company is not under any responsibility to verify the source of the investment, the amount of the gain, or the passage of the Applicable 180-Day Period. It should be noted that the Regulations provide for different starting dates for computing the Applicable 180-Day Period, depending on the kind of gain, and whether it arose inside a pass-through entity, such as a partnership. There are also numerous elections that can be made to delay the start of the 180-day period. Investors should consult their tax advisors regarding their eligibility and the specific time frame in which to make this investment.

Failure by the QOF to meet the 90% Requirement could result in a loss of tax benefits. A QOF (such as the Company) is measured semi-annually for compliance with the 90% Requirement, as discussed below, see "U.S. Federal Income Tax Considerations". Failure to meet the 90% Requirement may result in penalties, interest, and additions to tax, and even disqualification of the entity as a QOF. While there are exceptions that can reduce or eliminate the penalties (if otherwise applicable), there can be no assurance that the Company will continue to meet the 90% Requirement. In general, a QOF that does not meet the 90% Requirement is subject to a monthly underpayment penalty, multiplied by the percentage by which 90% exceeds the QOF's percentage of qualified assets. In addition, it is possible that the IRS could impose an even more adverse result, and deny QOZ benefits to investors in a QOF that fails to meet the 90% Requirement.

Disposition by a Holder prior to the Requisite Holding Period could result in acceleration of the Initial Gain Deferral. The regulations describe a lengthy list of possible events ("Inclusion Events") such as sales and gifts, which can accelerate the recognition of the Initial Gain Deferral, in which case the Investor will recognize the gain prior to December 31, 2026, and may not qualify for the 10% basis increase (and corresponding reduction in tax liability) associated with holding a QOF investment for at least 5 years. Investors should also be aware that a sale of their Membership Interest to someone else may not necessarily enable the purchaser to receive the Reduction in Taxable Gain (depending on

when it occurs), or benefit from the 10-Year Gain Exclusion. This may adversely impact the ability to sell an interest or reduce the sales price of such an Investor's Membership Interest.

Disposition by the Company May Have Tax Consequences and Result in a loss of tax benefits. If there is any direct or indirect disposition by the Company of its Investment Properties prior to the 10-year hold, and the money is not invested in compliance with the applicable rules, the Company might lose its status as a QOF, and the Investor might then be ineligible for Reduction in Taxable Gain or 10-Year Gain Exclusion or both. While the QOZ regulations permit the reinvestment of proceeds of a property that has been sold prior to the end of the 10-year holding period, it is unclear how this may affect certain tax benefits. Furthermore, there is a risk that the Company may dispose of a property and be unable to reinvest those proceeds into a new Investment Property, in which case investors could lose the benefit of QOZ treatment with respect to those proceeds.

Initial Gain Deferral is expected to be taxed in 2026. The Initial Gain Deferral will be included in income no later than December 31, 2026. There is no representation or guarantee that the Company will make distributions to Investors whether or not there is cash available prior to this time. Accordingly, each Investor should plan to have its own liquid assets with which to pay the tax on the Initial Gain Deferral when such tax comes due.

There may be a shortage of desirable projects in QOZs, which may lead to either a loss of tax benefits or investments in less desirable projects. The Final Regulations provide rules for projects that straddle between QOZs and adjacent areas, and the percentage tests applied in the regulations allow the Company and the businesses in which it invests to have a modest percentage of investment in projects or properties that are not in QOZs. However, the Company's investments are generally limited to being in QOZs, that is, a limited number of designated low-income, economically distressed areas and a limited number of designated slightly higher income communities that are adjacent to low-income communities. In order to maintain tax benefits during the first ten years after investors make their investments, the Company will generally be required to reinvest much or all of any sales proceeds from Investment Properties into other projects located in QOZs, typically within a 12-month period. If there is a shortage of desirable projects in QOZs, or if the market prices of properties located in QOZs are decreasing at a rate disproportional to other properties, then in order to maintain tax benefits, the Managing Member may be forced to reinvest proceeds into projects that have less potential for capital appreciation. Conversely, under certain circumstances, the Managing Member may choose not to reinvest funds into QOZs, or it may make distributions to the Members, if the Managing Member believes it has insufficient suitable QOZ investment opportunities.

Because Investors are investing after December 31, 2019 they will get less than the full benefit of the Reduction in Taxable Gain provided in the Code provision. Any gain deferred under the Initial Gain Deferral will be included in the income of each investor no later than December 31, 2026. The tax rules provided a 15% basis increase, which provides an effective 15% tax savings for investments in the Company held for at least seven years, and 10% for investments held at least five years. As this update is being provided to potential investors in 2020, it is no longer possible to hold an investment for at least seven years on December 31, 2026. Thus, at this time, the maximum reduction is 10%. Further, any Investor who makes a Capital Contribution after December 31, 2021 might not have any Reduction in Capital Gain. While Congress has discussed extending this period beyond December 31, 2026, there is no legislation pending that would make such a change, nor is there any assurance that there might ever be such legislation. Additionally, there is no guarantee that any of the above tax

incentives will continue to be available, particularly as the QOZ legislation is still new and potentially subject to change.

Investments Made by Investors who Sell Property to the Company May not be Respected as Eligible for Favorable OZ Benefits. The Final Regulations treat an Investor who sells property to a QOF or to a Subsidiary Entity in which the QOF invests and then uses the cash from that sale to make an investment in the QOF as "step transactions" that involve a "circular flow of funds," and therefore ineligible for the favorable treatment that applies to OZ investments. Accordingly, this investment is unlikely to be suitable for such an Investor.

Projects might not be completed in a timely fashion. Used property acquired by the Company will only comply with the criteria of the QOZ incentive if it makes "additions to basis" within a 30-month period after acquisition that is greater than the basis in the property (other than land) at the start of the 30-month period. The regulations include a safe harbor where if a property is newly constructed or rehabilitated by an indirect entity within an up-to-31-month period in substantial compliance with a written plan, then cash awaiting use in the new construction or rehabilitation pursuant to a written plan would not be nonqualified financial property and the entity generally would still be considered engaged in an active trade or business during the construction or rehabilitation. The Final Regulations extend this period to include additional periods that are integral to the first period, provided that the total period is not more than 62 months, and they also provide a rule that treats a used property that the taxpayer is rehabilitating and reasonably expects will become qualified opportunity zone property within 30 months to qualify, regardless of whether the property is held by a QOF or a Subsidiary Entity in which the QOF invests.

While the regulations include an extension of the 31-month rule due to certain delays related to getting government approvals, they do not include extensions for other reasons, such as labor stoppages, weather events and acts of war or terrorism. Further, there may be other reasons why a developer ultimately would be unable to utilize cash in substantial compliance with the plan within the time frames dictated by the plan, which could jeopardize the Company's ability to meet the 90% Requirement. Conversely, these requirements may cause developers to rush completion of a project to use that cash, which could result in construction defects or other problems that could have an adverse impact on the success of the project itself.

The Death of an Investor Member and gifts by Investor Members may alter tax treatment. In the event that an investor in a QOF (such as the Company) dies before recognition of the deferred gain, the gain must be generally taken into account as income in respect of a decedent. The regulations provide that death should not otherwise cause income to be included earlier than would otherwise be required. However, as noted previously, gifts generally ***are*** considered Inclusion Events which could cause income to be recognized early. Investors should consult with their tax advisors regarding the tax impact of these events and any possible loss of benefits under the QOZ incentive.

Attempts to qualify for the QOZ incentive may cause the Managing Member to make decisions that will not maximize investment value or returns. Due to its efforts to comply with the QOZ criteria, the Managing Member may have to make investment decisions that do not maximize investment value or returns in a manner that would otherwise be possible if the Company did not endeavor to comply with the QOZ criteria. Additionally, because there is a 10-Year Gain Exclusion period required to take full advantage of all of the benefits of an investment in a QOF, it may not be advantageous to

liquidate underperforming investments in order to reposition those funds into better performing investments.

An investment in the Company is illiquid due in part to the 10-Year Gain Exclusion. In order to take advantage of certain tax benefits regarding exclusion of future gain of investing in a QOF, each Investor Members, must hold his, her or its investment in the Company and the Company must maintain its status as a QOF for more than 10 years. This 10-Year Gain Exclusion requirement may result in sales being delayed beyond the optimal date, thereby reducing the return on a particular investment. Investor Members may disagree with the timing of liquidation of investments as it may result in tax consequences that they must report on their tax return, as well as preventing them from taking full advantage of the tax benefits associated with an investment in a QOF.

Each Investor Member's Applicable 180-Day Period will continue until a closing occurs, even if it has funded its Capital Commitment. The Company has no obligation to ensure an Investor's compliance with its respective Applicable 180-Day Period. After each Investor funds its Capital Commitment, the Investor's Applicable 180-Day Period will continue to toll and will only be deemed invested in a QOF once the applicable closing has occurred. It is an Investor's responsibility to let the Company know when it believes its Applicable 180-Day Period is going to end, and while the Company will endeavor to close before any such date of which the Company has been informed, it has no obligation to close on or before such date.

IV. Third Party Administrator. The following shall update and amend the description of the "Third Party Administrator" set forth on page 65 of the Memorandum:

As contemplated in the Memorandum, in February 2020, the Managing Member engaged NESF Investment Services, LLC ("NESF"), a wholly owned subsidiary of NES Financial Corp., to serve as the third party administrator for the Company pursuant to a written agreement (the "TPA Agreement"). All fees and reimbursable expenses payable to NESF will be borne by the Managing Member and not the Company.

Under the terms of the TPA Agreement, NESF will provide certain fund administration services for the Company and its subsidiaries that are specifically designed for the Internal Revenue Code 1400Z qualified "Opportunity Zone Fund" market, including, but not limited to, (i) Opportunity Zone Fund tracking, administration and reporting services, (ii) maintenance of books and records, and other treasury and accounting services, (iii) calculation of fees and related reporting, (iv) preparation of periodic financial reports, (v) processing of investor subscriptions, capital calls, distributions, and transfers, and (vi) anti-money laundering and related compliance services, including investor information collection and processing. The TPA Agreement places customary duties and standards of care upon NESF in undertaking such services, including strict requirements to maintain the confidentiality and security of confidential information related to the Company and its investors, and imposes liability on NESF for its fraud, bad faith, gross negligence, willful misconduct or material breach of the TPA Agreement. Further, NESF will indemnify the Company, its investors and other related parties against any losses arising from any action taken by NESF under the TPA Agreement, subject to limited exceptions for losses that result from certain bad acts of the parties seeking indemnification. The Managing Member, but not the Company, provides a reciprocal indemnity in favor of NESF.

V. COVID-19 Response.

The COVID-19 pandemic has impacted our business, like so many others. Our management team is closely monitoring developments and working hard to proactively identify and address potential impacts on our business, employees, investors. We have engaged a qualified medical professional to advise us on best practices and to help us monitor developments and formulate responses as the outbreak unfolds. We will continue to closely monitor available guidance from CDC, FHA, HUD and other state and federal government authorities regarding best practices.

Our management team has invoked various business continuity plans at the corporate level to ensure that we can continue to provide high-quality service to our investors and other business partners. We have successfully implemented "work from home" policies for all of our corporate employees. At present, we have experienced no material disruption of our ability to carry out our critical business functions.

Various stay-at-home orders to limit the spread of the virus has restricted our ability to travel and tour potential new acquisitions. However, we are seeing deals close and construction continue in the industry and in other funds that we or our affiliates manage. The shock to the economy has slowed our capital raising efforts, including our discussions with prospective investment partners for several of the potential acquisitions in our pipeline. While the full effect to the U.S. economy is still to be determined, we do know that the focus of our investment strategy, workforce housing, remains in short supply, nationally, and the need for reasonably priced housing will not be met by current levels of new construction. We are aware that the I.R.S has considered and may enact some extensions to previous Opportunity Zone investment timing requirements, potentially easing some of the concern with the tests or deadlines for deploying capital contained in the final regulations published in December 2019. It is not yet known whether any I.R.S. relief regarding Opportunity Zone requirements will be forthcoming, but we will continue to monitor developments.

VI. Illustrative Investment Pipeline. The following shall update and amend the section of the Memorandum titled "OUR BUSINESS" commencing on page 48 of the Memorandum:

The Company does not currently own any Investment Properties and does not have any binding agreements to purchase any Investment Properties. Attached as Exhibit B is a summary of the Company's investment pipeline (the "Illustrative Pipeline Summary") as of the date of this Supplement. The Illustrative Pipeline Summary is being provided as an illustration, and is merely indicative of the types of Investments being considered by the Company. The actual Investment Properties ultimately purchased by the Company may be different than those described on the Pipeline Summary. We undertake no obligation to update the Illustrative Pipeline Summary to reflect events or circumstances after the date of this Supplement. ACCORDINGLY, INVESTORS SHOULD NOT CONSIDER THE ILLUSTRATIVE PIPELINE SUMMARY IN MAKING AN INVESTMENT DECISION TO INVEST IN THE COMPANY.

If you have any questions about the Illustrative Pipeline Summary, please contact the Managing Member.

VII. The Managing Member and the Advisor. The following shall update and amend the

section of the Memorandum titled "THE MANAGING MEMBER AND THE ADVISOR" commencing on page 60 of the Memorandum:

As of the date of this Supplement No. 2, ASI and its affiliate ACL collectively had total assets under management of over $13 billion.

The name of the Adviser is ASI Adviser, LLC. All references in the PPM to "Alliant Strategic Adviser, LLC" were a typographical error and are hereby replaced with "ASI Adviser, LLC."

VIII. Amendment to Operating Agreement. The following shall update and amend all provisions of the Memorandum that describe the terms of the Operating Agreement, including as set forth under the heading "DESCRIPTION OF THE INTERESTS AND OPERATING AGREEMENT" starting on page 68 of the Memorandum and corresponding sections of the "SUMMARY OF THE OFFERING" starting on page 3 of the Memorandum:

The Company's Operating Agreement has been amended to reflect the changes noted below. The amendments described below were all made pursuant to the Managing Member's unilateral authority to make certain types of amendments without approval of the Members as permitted by Section 11.1(a) and the Operating Agreement, including to correct errors and cure ambiguities. These amendments are set forth in Amendment No. 1 to the Operating Agreement, dated of even date with this Supplement to the Memorandum, a copy of which is attached hereto as Exhibit A. References in this Supplement and the Memorandum to the Company's "Operating Agreement" shall be deemed to refer to said Operating Agreement, as the same has been amended by Amendment No. 1 and as it may be further amended and/or restated, except where the context otherwise requires. To the extent there is any inconsistency between the Memorandum or this Supplement, on the one hand, and the Operating Agreement, on the other hand, the Operating Agreement shall govern.

The amendments to the Operating Agreement referred to above are summarized as follows:

- Clarification that the Management Fee payable by the Company to the Adviser is not payable in addition to, or separate from, any Investor Member's Capital Commitment to the Company.

- Adding to the Operating Agreement the limitation already expressed in the Memorandum that no more than 30% of the maximum offering amount (i.e., $37.5 million) will be invested by the Company into a single Investment Property without approval of the Advisory Committee or the Investor Members.

- Clarification that the Managing Member's power to cause the entire Company and/or all Membership Interests held by itself and the Investor Members to be sold (the "Drag Along") cannot be exercised by the Managing Member until after expiration of the Investment Period. This limitation on the Drag Along was included in the Memorandum but was initially omitted from the Operating Agreement.

- Clarification that anywhere that the Operating Agreement requires or permits a vote or approval of either that the Advisory Committee or Investor Members, such vote or

approval will be deemed obtained if either the matter is approved by majority vote of the members of the Advisory Committee who cast a vote, with each member entitled to one vote or the matter is approved by "Investor Member Approval" which is a majority of Investor Members by Percentage Interest owned.

- Clarification that the name of the Adviser is ASI Adviser, LLC.

IX. Tax Matters. The following shall replace and supersede in its entirety the Section of the Memorandum titled "U.S. FEDERAL INCOME TAX CONSIDERATIONS", which starts on page 86 of the Memorandum. Any other provisions of the Memorandum that are inconsistent with the following discussion are updated and amended hereby.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

Prospective investors should not construe the contents of this Memorandum or any prior or subsequent communication from us or from the Managing Member, their or our Affiliates, and employees or any professional associated with this Offering as tax advice. Each Investor should consult the own tax counsel and accountant as to tax matters concerning the investment. No representation or warranties of any kind are intended or should be inferred with respect to the tax consequences which may accrue from an investment in the Membership Interests. No assurance can be given that existing tax laws will not be changed or interpreted adversely. If the tax laws are changed or interpreted adversely, holders of our securities could fail to realize all or a portion of the economic or tax benefits contemplated by them. Capitalized terms not otherwise defined herein have the meaning given to such terms in Appendix A.

This summary of certain aspects of the U.S. federal income tax treatment of the Company is based upon the Code, the Treasury Regulations (including proposed and temporary regulations, where applicable) promulgated thereunder, judicial decisions, and rulings, all as in existence on the date hereof, and all of which are subject to change (possibly with retroactive effect). Except as otherwise noted below, this summary does not discuss the impact of various proposals to amend the Code which could change certain tax consequences of an investment in the Company.

This summary is necessarily general and does not purport to address the U.S. federal income tax consequences that may be relevant to a particular investor, to Investor Members that acquired Membership Interests other than for cash, to any Investor that acquired all or any portion of its Membership Interests in connection with the performance of services or otherwise as compensation, to any Investor that holds its Membership Interests other than as "capital assets," or to Investor Members that may be subject to special rules under the U.S. federal income tax laws (e.g. pass-through entities and their owners, members and partners, and persons that will hold Membership Interests as a position in a "straddle," as part of a "synthetic security" or "hedge," or as part of a "conversion transaction," "constructive sale transaction" or other integrated investment).

Finally, the summary does not cover the impact of any U.S. federal tax law other than the income tax law, the impact of the U.S. AMT, or the effects of any applicable foreign, state, or local laws. Each prospective investor should consult with its own tax advisor in order to fully understand the U.S. federal, state, local and foreign income tax consequences of an investment in the Company.

Introduction

The Basic Tax Incentives. The QOZ legislation was recently enacted as part of the TCJA. As discussed above, it provides a special tax incentive to encourage investing in low-income communities. The new rule encourages taxpayers to sell their appreciated capital assets and invest an amount equal to the resulting capital gain in one or more QOFs (or "QOFs") that, in turn, invest in QOZs.
To encourage these investments, the law provides three basic tax incentives:

- by timely investing an amount equal to the capital gain in an QOF, an investor can receive Initial Gain Deferral;

- when recognized, the taxable gain generally will be reduced by 10% if the investment has been held for five years so long as that holding period is achieved prior to December 31, 2026 (collectively, the "Reduction in Taxable Gain")[1] and the investor does not otherwise have an "inclusion event" (as described below); and

- there will be no further tax on a sale of the QOF investment or a sale of property held by the if it is held for the 10-Year Gain Exclusion period.

Each Investor will be required to represent to the Company that (i) they are eligible for the tax incentives described above and (ii) they are reinvesting taxable gain into the Company within the Applicable 180-Day Period for the investor's capital gain.

Any gain deferred under the Initial Gain Deferral will be included in the income of each investor no later than December 31, 2026; accordingly, the 10% Reduction in Taxable Gain may no longer be available if the requisite 5-year holding period has not elapsed with respect to the particular investment prior to December 31, 2026. Additionally, there is guarantee that any of the above tax incentives will continue to be available, particularly as the QOZ legislation is still new and potentially subject to change. As discussed below, QOFs are subject to a set of requirements to remain qualified as such; there is no assurance despite efforts by any Managing Member Affiliates that the Company will remain qualified as a QOF.

Current Guidance. The applicable statutory law consists of two sections of the Internal Revenue Code, Sections 1400z-1 and 1400z-2 which, in turn, refer to other tax code sections, an Internal Revenue Service website with "frequently asked questions," two sets of recently published "proposed regulations," more recently published "final regulations", and two revenue rulings. The proposed regulations can be found at https://www.govinfo.gov/content/pkg/FR-2018-10-29/pdf/2018-23382.pdf and https://www.govinfo.gov/content/pkg/FR-2019-05-01/pdf/2019-08075.pdf. The final regulations can be found at https://www.govinfo.gov/content/pkg/FR-2020-01-13/pdf/2019-27846.pdf. The IRS has stated that it continues to consider rules in areas not previously addressed, such as the interaction of the QOZ rules and federal tax credits, such as the low income housing tax credit. Accordingly, it is possible that there will be further additions and changes to the rules in the coming months and years. Potential investors should recognize that there is little in the way of "typical" investing or deal structures, and that structures that the Company may use in the near future

[1] This update is being provided in 2020. Accordingly, a reduction of an additional 5% for investments held at least 7 years by December 31, 2026 is no longer possible.

may be modified or changed entirely as additional guidance is issued and studied. Furthermore, this lack of guidance regarding some provisions of the legislation means that there is substantial uncertainty regarding how to comply with all of the requirements and that there can be no assurance that the Investor Members will enjoy the benefits of the Reduction in Taxable Gain or the 10-Year Gain Exclusion.

Taxation of QOF. Even though it expects to qualify as a QOF for federal income tax purposes, the Company will still be taxed as a partnership for federal income tax purposes. Accordingly, it will prepare a partnership tax return, and allocate its income, losses, credits, and other tax items among the Investor Members in accordance with its partnership agreement and applicable tax law. A summary of the tax laws that apply to partnerships appears below. In particular, the special tax rules that apply to QOZs and QOFs will ***not*** limit or eliminate the Company's taxable income, if any, at the entity level, and Investor Members will get annual tax returns that may show income for which the Investor may owe tax, depending on the particular facts.

Designation of QOZs. A QOZ is a population census tract that is a low-income community (as defined in Section 45D(e) of the Code) or certain other census tracts adjacent to a low-income community which was nominated as a QOZ by the chief executive officer of a State or possession of the United States and certified by the United States Department of the Treasury. The designation period is now over; absent a change in law, there will be no further designations. In total, there are 8,700 QOZs, which is about 11 percent of all census tracts. IRS Notice 2018-48 (https://www.irs.gov/pub/irs-drop/n-18-48.pdf) provides a complete list, and maps of the census tracts that have been designated as QOZs can be found on the U.S. Community Development Financial Institutions Fund website, at https://www.cims.cdfifund.gov/preparation/?config=config_nmtc.xml.

Qualified Opportunity Zone Rules in Greater Detail

The Initial Gain Deferral. The QOZ rules provide for a deferral, until December 31, 2026, of federal income tax on an Investor's gain from the sale to, or exchange with, an unrelated person (as defined in Section 1400Z-2(e)(2) of the Code) of any property held by the Investor, provided an amount equal to such gain is invested in the Company within certain 180-day periods. (Elsewhere in this Offering Memorandum, this and the other 180-day periods that are relevant to an investor are referred to as the "Applicable 180-Day Period.")

For most capital gains (such as sales of corporate stock), the 180-day period commences of the date the property was sold or exchanged. However, there are numerous exceptions and alternatives to this general rule. Furthermore, measurement of the 180-day period is complicated by the different sets of rules in the Proposed and Final Regulations.

One exception is the rule for gains and losses associated with property used in a trade or business (such as rental real estate). Under the Proposed Regulations, such gains or losses during the year must be netted, and if the resulting amount is positive, then this is considered a "Section 1231 gain," and the 180-day period commences at the end of the taxpayer's tax year. This will often be December 31 of the year that resulted in the gain. Under the Final Regulations, the amount eligible for favorable OZ treatment includes the entire gross amount of the gain, not merely the net after offsetting Section 1231 losses, if any, and the 180-day period begins with the date of the sale.

A second exception applies to partnerships. Both the Proposed and Final Regulations allow either the partnership or its partners to be the investor in an QOF. The partnership's measurement date begins with the date of sale. If it is the partners making the OZ investment, the Proposed Regulations provide that their 180-Day period can begin ***either*** with the date of sale or the end of the partnership's tax year, which will often be December 31 of the year that resulted in the gain. The Final Regulations add a third possibility: the 180-day period can begin with those days ***or*** the even later due date for the partnership's tax return, without extensions.

A third special rule applies to installment sales. In the case of capital gains arising from an installment sale (essentially a sale with multiple payments that is eligible for "installment sale treatment" under the Code), a taxpayer can either (a) recognize and measure the 180-day period as to the entire amount of the gain starting on the final day of the taxpayer's year (i.e., a Dec. 31 start date for calendar year taxpayers), or (b) make investments with fresh 180-day periods over the years that the gain is recognized, but only as to the amount of gain recognized in each year. Taxpayers who had installment sales before the OZ rules became law in December 2017 can still get OZ treatment for that portion of their gains that are recognized on the installment method in later years.

It should be noted that the rules require that a taxpayer which relies on the 180-day measuring dates of the Proposed or Final Regulations must then rely on ***all*** of the other provisions of the particular set of regulations being relied on for selecting the 180-day period. It is not clear precisely how the IRS will apply this rule. For example, if two partners invest in a QOF, with one choosing a 180-day period described in the Proposed Regulations, and the other choosing a 180-day period described in the Final Regulations, it is not clear whether they will be subject to the different tax rules of the Proposed and Final Regulations on the post-10-year disposition of investments made by the QOF. Investors should discuss this issue with their personal tax advisor.

Recognizing the Deferred Gain. If an Investor invests in a QOF and elects to defer recognition of their current capital gain, then the Investor must include in their gross income ***the lesser of*** the amount of gain subject to the Initial Gain Deferral or the fair market value of the Investor's Membership Interests on the date when the Initial Gain Deferral ends (i.e., December 31, 2026, or the date that an Investor disposes of its Membership Interests, if earlier, subject to a few exceptions). This amount is reduced by the Investor's basis in its Membership Interests at the time. As discussed below, the basis may be increased if the Membership Interests are held for certain specified periods.

Comparison to Like-kind Exchanges. Investing in an QOF is very different from undertaking a like-kind exchange. While each can delay the payment of tax associated with a transaction that would otherwise give rise to current tax liability, the tax treatments are quite different. To avoid tax with a like-kind exchange, a taxpayer must sell real estate and invest in other real estate. This is not the case with an investment in the Company; for example, an Investor can sell publicly traded stock or real estate, or even collectibles (provided the Investor is not a dealer), and if the sale generates a capital gain, the Investor might qualify for the favorable tax treatments by investing a corresponding amount in the Company, that might buy a broad range of trade or business property in compliance with the rules described below. A like-kind exchange requires a taxpayer to invest the "proceeds" of the sale; with an QOF, the rules only require the taxpayer to invest the gain. And finally, the like-kind exchange rules require careful tracing of the funds and often, the use of a "qualified intermediary" to hold the funds. That is not the case with an QOF, such as the Company. An investor could use the same or different funds; it could even borrow the money that it then invests in the Company.

Increase in Basis; Reduction in Taxable Gain. An Investor's initial basis in the investment of moneys associated with a capital gain in the Company is zero, but it is increased by 10% of the gain subject to the Initial Gain Deferral, if the Investor holds the investment in the Company for at least 5 years (or the date of an Inclusion Event, if earlier),[2] provided that the 5-year date is prior to December 31, 2026. Finally, if the value of the investment decreases, the investor recognizes a smaller amount, based on the value of the investment on the recognition date. It should be noted that many technical questions continue to be outstanding with respect to the computation of an Investor's basis and its application to the computation of taxable gain.

Example. Assume an Investor is a calendar year taxpayer, and she has $100,000 of gain from the sale of stock to an unrelated person on May 1, 2020. She invests an amount equal to that gain in the Company (which has qualified as a QOF) on June 30, 2020 and makes the appropriate election. On these facts, the Investor will ***not*** pay tax on the $100,000 of gain in 2020 (or with her 2020 tax return, filed in 2021). If the Investor holds her investment in the Company until December 31, 2026, then, ***in general,*** $90,000 of the $100,000 of gain will be includible in the Investor's income for the calendar year 2026 and the other $10,000 of gain will remain untaxed, because the Investor will have held the investment in the Company for more than five years. However, if the Investor sells or exchanges her interest in the Company on May 31, 2023 (less than five years from the date of the investment in the Company), she will pay tax on ***all*** $100,000 of the deferred gain in 2023. Alternatively, if she sells or exchanges her interest in the Company on May 31, 2024 (more than five years, but prior to December 31, 2026) she will pay tax on $90,000 of the deferred gain in 2024. This is because the 10% basis increase will have taken effect at that time. In addition, there are other possible Inclusion Events, such as gifts, which can accelerate the gain recognition. Investors are urged to consult with an expert in QOZs before undertaking any transaction that involves changing the owner of their Interest, or which might be characterized as an Inclusion Event.

Payment of Tax on the Initial Gain Deferral. Even after the deferral, if the original transaction would have given rise to short term capital gains (which are generally taxed at higher rates than long term capital gains for individuals), then the subsequent recognition will also be taxed as short term capital gains in the year that the gain is recognized (even if the Investor has held its interest in the Company for more than one year), and the gain will be taxed at the then applicable tax rates. Computation and payment of the tax will be made by the Investor. ***The Company is not agreeing to pay, and it is not making any arrangements to pay, fund, or distribute the Investor's deferred tax liability, nor is it making any arrangements for a lender or loan facility to enable the Investor to make this payment when it comes due.*** It should also be noted that when the gain is included in income, the rate at the later date, when the deferred gain is included in income, will apply. There can be no assurance of the actual tax rate that will apply to the gain in that later year; it may be higher or lower than the rates that apply at the time of the original sale or exchange.

The 10-Year Gain Exclusion. If an Investor holds its interest for at least 10 years, and then sells or exchanges *the interest* with an unrelated person, and the Investor elects the 10-Year Gain Exclusion, then the Investor can elect for its basis in that interest to equal to the fair market value of the Investor's Membership Interest on the date of the sale or exchange. As a result, if the Membership Interests are

[2] The QOZ rules also provide an additional 5% basis increase (for an aggregate of 15%), if the Investor holds the investment in the Company for at least seven years; however, at the time this update was prepared, it was no longer possible to hold a QOZ investment for 7 or more years on December 31, 2026.

sold for fair market value and the Investor makes an election to apply the 10-Year Gain Exclusion, no tax will be owed on any appreciation in value of the Company (and alternatively, no loss will be recognized).

The proposed regulations provided that a sale by the Company of its assets can also benefit from the 10-year Gain Exclusion if made after the particular investor has held its interest for at least 10 years, and an election is made. It was not clear whether this rule applied to a sale of property by a partnership in which the Company invests. However, the Final Regulations provide that sales by the Company of the property it owns, and sales by a Subsidiary Entity (as described in the next section) in which the Company invests, are all eligible for the gain exclusion. It should be noted that since the 10-year holding period is measured at the investor level, and many of the transactions described in this paragraph would happen at the Company or Subsidiary Entity level, there may be significant complexity in establishing the tax-free nature of the transaction with respect to any particular Investor.

With these rules in mind, the Managing Member is authorized to arrange a sale of all interests in the Company, with all of the Investor Members agreeing to join in such sale and executing the appropriate documents when requested. As noted above, interests in the Company are illiquid, and there can be no assurance that an Investor will be able to sell its interest in the Company or that a sale by the Investor Members will result in as favorable a sales price as the Company selling its assets and distributing the proceeds.

Qualifying the Company as a QOF

QOZ Business Property. To qualify as a QOF, 90% of the Company's assets must be "QOZ business property." This consists of two kinds of investments:

Direct investments in tangible business assets, which must be in QOZ Business Property.

Indirect investments in subsidiary business entities, either:

(i) QOZ Stock; or

(ii) QOZ Partnership Interests.

The entities in which Indirect Investments are made are sometimes referred to as "Subsidiary Entities." In other words, where a corporation that qualifies as a QOZ Business issues stock to a QOF in exchange for a cash investment, the corporation is a Subsidiary Entity, and the stock is QOZ Stock. Where a partnership or an LLC taxed as a partnership that qualifies as a QOZ Business issues a partnership or membership interest to a QOF in exchange for a cash investment, the partnership or LLC is a Subsidiary Entity, and the partnership or membership interest is a QOZ Partnership Interest.

As discussed below, QOZ Stock and QOZ Partnership Interests represent investments in entities for which "substantially all" of the entity's tangible assets must meet a definition similar to the definition of QOZ Business Property, as well as comply with a series of additional requirements. Because the IRS has defined "substantially all" for this purpose to be 70% of ***tangible*** assets held by a Subsidiary Entity, as opposed to the 90% of ***all*** assets requirement that applies to direct investments, and the rules also provide favorable treatment for property under construction at the Subsidiary Entity level, it is anticipated that many of the investments made by the Company will be indirect investments in

Subsidiary Entities. Still, as described below, there are additional limitations on the activities of Subsidiary Entities owned by a QOF which may affect that choice, or which may be affected by future changes in the IRS guidance or the applicable Code provisions. In particular, direct investments can be made in assets that are used in a "trade or business," while indirect investments must be made in a Subsidiary Entity that is engaged in an "***active*** trade of business."

Terms Relevant to Investments By QOFs.

The following are somewhat more precise definitions of the terms used in the Offering Memorandum:

QOZ Business Property is relevant to direct investing by an QOF, and it is defined in Section 1400Z-2(d)(2)(D) of the Code as tangible property used in a trade or business of the QOF if (i) the property was acquired by the QOF by purchase from an unrelated party (as defined in Section 179(d)(2) of the Code) after 2017, (ii) the original use of the property in a QOZ commences with the QOF or the QOF substantially improves the property (which essentially requires the QOF to invest more than the purchase price in the improvements), and (iii) during substantially all of the QOF's holding period of the property, substantially all of the use of the property was in a QOZ.

QOZ Stock is defined in Section 1400Z-2(d)(2)(B) of the Code as any stock in a domestic corporation if the stock is acquired after 2017 at its original issue solely in exchange for cash, the corporation is a QOZ business (or if new, is organized for purposes of being a QOZ business) at the time the stock is issued, and during substantially all of the Company's holding period of the stock, the corporation qualifies as a QOZ business.

QOZ Partnership Interest is defined in Section 1400Z-2(d)(2)(C) of the Code as any capital or profits interest a domestic partnership if the partnership interest is acquired after 2017 from the partnership solely in exchange for cash, the partnership is a QOZ business (or if new, is organized for purposes of being a QOZ business) at the time the partnership interest was issued, and during substantially all of the Company's holding period of the interest, the partnership qualifies as a QOZ business.

QOZ Business is relevant to indirect investing, and refers to a business run by a subsidiary entity in which the QOF It has a definition that is similar to the definition of QOZ Business Property, with one important change: it is a trade or business in which ***substantially all of the tangible property owned or leased by the taxpayer*** is acquired by the QOZ business by purchase (as defined in section 179(d)(2)) after December 31, 2017, the original use of such property in the QOZ commences with the qualified opportunity business or the QOZ business substantially improves the property, and during substantially all of the QOZ business's holding period for such property, substantially all of the use of such property was in a QOZ. As noted above, for this purpose, the proposed regulations define substantially all to be 70%.

Additionally, to qualify as a QOZ business, (1) at least 50% of the trade or business's total gross income must be derived from the ***active*** conduct of a qualified business in an QOZ, (2) a substantial portion of the trade or business's intangible property must be used in the active conduct of the business, (3) less than 5% of the trade or business's average unadjusted basis in its property may be nonqualified financial property (which is defined in the Code to include not only certain types of financial assets and cash, but also partnership interests and stock) and (4) a QOZ business cannot include the operation of any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility,

racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

The combination of the foregoing rules means that notably different rules apply to trades or businesses that the Company may own directly as compared to indirectly, through a subsidiary partnership or corporation. These differences will affect the Company's analysis of how to acquire and operate its investments.

Substantial Improvement to Used Property, New Construction, and the Safe Harbor. As noted above, if an QOF or a QOZ Business acquires used tangible property then the property will only comply with the requirements if it makes "additions to basis" within any 30-month period after acquisition greater than the basis in the property at the start of the 30-month period. Basis in land does not count for this purpose.

The Final regulations provide a "safe harbor" -- if a property is newly constructed or rehabilitated by an indirect entity within as many as two 31-month periods in substantial compliance with a written plan, then any cash that the entity holds awaiting use in the new construction or rehabilitation is not nonqualified financial property, and the entity will generally be considered engaged in an active trade or business during the construction or rehabilitation. As an example, this safe harbor generally provides a 31-month window in which to construct or rehabilitate a building held by a subsidiary entity. The Final Regulations provide that used property does ***not include*** property not yet depreciated by anyone (e.g., an about to be finished building that the O-Fund buys from someone else before it is placed in service), property not yet placed in service in the zone (e.g., computer equipment moved from elsewhere), and real estate that is previously used, but has been vacant for at least three years, or one year if it was vacant at the time the particular census tract was designated a QOZ.

Active Trade or Business in the Zone. In the case of businesses that are operated by Subsidiary Entities, which is how the Company expects that most businesses will be operated, they must establish that at least 50 percent of their gross income is derived from the active conduct of a trade or business in the QOZ. The regulations generally provide that leasing is an active trade or business, but they also provide an exception: "mere triple net leasing" is not an active trade or business. In addition, when it comes to establishing that the entity's business is in the zone, the "active trade or business in the zone" test now calls for one of four tests to be passed. The first two tests are a 50 percent computation related to providing services, based on hours billed by or compensation paid to employees and independent contractors inside and outside the zone. This may be overcome by the third test, which considers tangible property and significant management function in the zone. Finally, the business can apply a "facts and circumstances" test. The Company and the Subsidiary Entities in which it invests will attend to these tests to make sure that one or more of the relevant tests is passed.

It should also be noted that the IRS has indicated that investments in projects that consist largely of acquiring land and undertaking small improvements (e.g., the construction of a parking lot) are likely to be closely scrutinized and may not be considered to meet the requirements for QOZ investments.

Filings, Elections, and Penalties that Apply to QOFs

Forms and Elections. The Company shall take all steps reasonably necessary to certify to the IRS its status as a QOF by completing a Form 8996, and attaching that form to the Company's timely-filed

federal income tax return for each taxable year. Similarly, elections must be made by Investor Members in order to qualify for the Initial Gain Deferral and the 10-Year Gain Exclusion. The forms of certain of these elections have not been provided yet. Note that the Company will not be making the Investor's elections, and there is no procedure or rule for it to make the elections on behalf of an Investor. Investor Members should assure that they, or their professional tax advisor(s), make timely elections, where applicable. It should be noted that tax return preparers have already uncovered unanticipated

Penalty for Failure to Meet Requirements. If the Company, as a QOF, fails to meet the 90% Requirement, the Company will be required to pay a penalty for each month of the failure to the extent the amount of assets held by the Company in QOZ Business Property falls below 90% multiplied by the underpayment rate established under Section 6621(a)(2) of the Code for the month, which amount is to be taken into account proportionately as part of the distributive share of each Member of the Company. The underpayment rate for the first calendar quarter of 2020 is 5% per annum. It is not clear how these monthly penalty payments will be calculated in light of the fact that the 90% Requirement is calculated twice per year. Also, the IRS publishes the underpayment rate quarterly, and there can be no assurance that the penalty rate will not increase. Section 1400z-2(f)(2) provides "in the case that the QOF is a partnership, the penalty imposed … shall be taken into account proportionately as part of the distributive share of each partner of the partnership." At this time, it is not clear whether this provision requires the penalty to be paid by the Investor Members, or merely reflects how the partnership will reflect any payments made in the computation of basis and capital accounts.

General Principles of Company Taxation

Company Status. The Company expects to be treated as a partnership, and not as an association taxable as a corporation, for U.S. federal income tax purposes. As a partnership for federal income tax purposes, the Company itself will not be subject to U.S. federal income tax.

Publicly Traded Company. Under Section 7704 of the Code, "publicly traded partnerships" ("PTPs") are generally treated as corporations for federal income tax purposes. It is intended that the Company will be operated in a manner the that it will not be treated as a PTP.

Consequences of Treatment as an Association Taxable as a Corporation. If, for any reason, the Company were to be treated as an association taxable as a corporation (including if the Company were to be treated as a PTP as discussed above), it would be subject to U.S. federal income tax (at regular corporate tax rates) on its income, without any deduction for distributions made to its beneficial owners, thereby potentially reducing materially the amount of cash available for distribution. In addition, capital gains and losses and other income and deductions of the Company would not be passed through to its beneficial owners, the owners would be treated as shareholders for U.S. federal income tax purposes and distributions to the owners (to the extent of current or accumulated earnings and profits) would be treated as a taxable dividend, resulting in taxable income for U.S. Investors. The Company's treatment as a corporation for U.S. federal income tax purposes would result in a material reduction in the anticipated cash flow and after-tax return to the investors and therefore would likely result in a substantial reduction in the value of the Membership Interests.

The remainder of this discussion assumes that the Company will at all times be treated as a partnership

for U.S. federal income tax purposes.

U.S. Investors

The discussion in this section outlines certain material U.S. federal income and other tax principles that may apply to Investor Members who are U.S. citizens or resident individuals, or a corporation, limited liability company or partnership organized under U.S. law, an estate (other than an estate the income of which, from sources outside the U.S. that is not effectively connected with a trade or business within the US, is not includible in its gross income for US federal income tax purposes), and any trust if a court within the US is able to exercise primary supervision over the administration of a trust and one or more U.S. Persons have the authority to control all substantial decisions of the trust (collectively, "U.S. Investors") given the anticipated nature of the Company's activities. Except where specifically addressing considerations applicable to tax-exempt investors, the discussion assumes that each U.S. Investor is a U.S. citizen or resident individual or a U.S. domestic corporation that is not tax-exempt. In some cases, the activities of a U.S. Investor other than the investment in the Company may affect the tax consequences to the Investor of an investment in the Company.

General. Each U.S. Investor will be required to report on the U.S. federal income tax return, and thus to take into account in determining its U.S. federal income tax liability the allocable share of the Company's items of income, gain, loss, deduction, and credit for the taxable year ending within or with the investor's taxable year, generally as if these items had been recognized directly by that Investor. These tax items generally will have the same character (ordinary or capital, short-term or long-term) in the hands of each U.S. Investor as they have in the hands of the Company. A U.S. Investor will be taxed on the share of the income of the Company without regard to whether the Company makes a corresponding distribution of cash or other property to the investor. In addition, certain investments held by the Company may give rise to income subject to U.S. federal income tax even though there has been no corresponding receipt of money or property by the Company. Accordingly, a U.S. Investor's tax liability related to the Membership Interests could exceed the amounts (if any) distributed to the Investor in a particular year. U.S. Investors should ensure that they have sufficient funds from other sources to pay all tax liabilities resulting from their investment in the Membership Interests.

Allocations of partnership income and losses are valid under applicable Regulations if they meet the "substantial economic effect" test, or are made in accordance with a Member's interest in the Company. The Managing Member believes that the Company's method of allocating income and losses to the Members under the Operating Agreement complies with these Regulations. However, the Regulations are complex and lack significant administrative or judicial interpretation. There can be no assurance that the Regulations would not be interpreted by the IRS or a court of law in a manner materially adverse to the Members. If the allocations provided in the Operating Agreement are successfully challenged by the IRS, the redetermination of the allocations to any Member for federal income tax purposes may be less favorable than the allocations set forth in the Operating Agreement.

Tax Basis and Cash Distributions. See above for a discussion on the determination of basis for U.S. Investors who elect the Initial Gain Deferral. For other U.S. Investors, basis will generally be equal to the amount paid for the Membership Interest, increased by the Investor's allocable share of income and liabilities (if any) of the Company, and decreased, but not below zero, by the allocable share of distributions, losses, and reductions in the liabilities. Cash distributions received from the Company

by a U.S. Investor (including deemed cash distributions arising from reductions in a U.S. Investor's share of the liabilities (if any) of the Company) are not reportable as taxable income by the U.S. Investor, except as described below. Rather, the distribution will reduce (but not below zero) the total tax basis of the Membership Interests held by the U.S. Investor after the distribution. Any cash distribution in excess of a U.S. Investor's adjusted tax basis for the Membership Interests will generally be taxable to the Investor as gain from the sale or exchange of the Membership Interests. Any gain recognized by a U.S. Investor on the receipt of a distribution from the Company generally will be capital gain, but may be taxable as ordinary income, either in whole or in part, under certain circumstances.

Distributions In-Kind. In general, a U.S. Investor will not recognize gain or loss on the distribution of property (other than cash and, unless an exception applies, marketable securities) and the tax basis of a U.S. Investor in any property distributed will be the same as the Company's tax basis but not in excess of the U.S. Investor's adjusted tax basis for the Membership Interests, reduced by any cash distributed in the transaction. A U.S. Investor who receives an in-kind distribution of property in liquidation of the Membership Interests will have a basis in the property equal to the U.S. Investor's adjusted basis in the Membership Interests, reduced by any cash distributed in the transaction.

Disposition Proceeds. Except as described above regarding a QOZ investment in the Company held for the 10-Year Gain Exclusion, gain or loss on the sale or exchange of a U.S. Investor's Membership Interests will generally be taxable as capital gain or loss (except to the extent otherwise required under Section 751 of the Code). If the Membership Interests are sold on or before December 31, 2026, then some or all of the resulting gain may be considered long or short term in the same way as the gain which is represented by the investment; the regulations call for the use of first-in-first-out and pro rata methods for making this determination; after December 31, 2026, the gain generally will be long-term capital gain or loss because the U.S. Investor held the Membership Interests for more than one year. It is possible that a sale of an interest will also represent so-called "hot assets," such as rent receivables or depreciation recapture which could be taxed at ordinary rates. To date, the IRS guidance has not addressed the tax treatment of hot assets.

Limitations on the Deductibility of Losses and Expenses. Various provisions of the Code may apply to restrict the deductibility of capital and ordinary losses realized, or expenses incurred, by the Company. For example, the ability of U.S. Investors (other than widely held corporations) to deduct their shares of any losses attributable to the Company may be subject to the "passive activity loss" limitations and the "at risk" limitations of the Code.

Section 163(d) of the Code disallows a non-corporate taxpayer's deduction for "investment interest" in excess of "net investment income," as those terms are defined in Code Section 163(d). This limitation could apply to limit the deductibility of a non-corporate U.S. Investor's share of any interest paid by the Company, as well as the deductibility of interest paid by a non-corporate U.S. Investor on indebtedness incurred to finance the Indirect Investment in the Company. Additionally, Section 704(d) of the Code prohibits a Member from claiming partnership losses in excess of the Member's adjusted basis in its partnership interest. This limitation will apply to both individual and corporate U.S. Investors.

Recently revised Section 163(j) of the Code limits the deductibility of business (for all taxpayers) interest to no more than the sum of (i) a taxpayer's business interest income for the tax year, (ii) 30%

of the taxpayer's adjusted taxable income for the tax year (not below zero), and (iii) the taxpayer's floor plan financing interest, as each is defined in Section 163(j) of the Code. Recently, the IRS published proposed regulations with respect to Section 163(j).

The Code Section 163(j) limitation is applied at the partnership level, shall be taken into account in determining the non-separately stated taxable income or loss of the Company, and the adjusted taxable income of each Member of the Company shall be determined without regard to his, hers, or its distributive share of any items of income, gain, deduction, or loss of the partnership and shall be increased by his, hers, or its distributive share of the Company's excess taxable income. Interest deductions denied pursuant to Section 163(j) of the Code shall be carried forward and treated as business interest paid or accrued in the succeeding taxable year. The Code Section 163(j) limitation does not apply to business interest paid or accrued on indebtedness properly allocable to an "electing real property trade or business," which is any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business that irrevocably elects to be treated as an "electing real property trade or business." Any trade or business that makes an election to be an "electing real property trade or business" must use the alternative depreciation system as provided in Section 168(g)(1)(F), requiring depreciation of real property be taken using the straight-line method depreciation over a longer period as provided in Section 168(g)(2). It is unknown at this time whether the Company will qualify to elect (or would so elect, if qualified) to be treated as an "electing real property trade or business."

Subject to certain exceptions, all miscellaneous itemized deductions of an individual taxpayer, and certain of the deductions of an estate or trust, are deductible only to the extent that the deductions exceed 2% of the taxpayer's adjusted gross income. Moreover, the otherwise allowable itemized deductions of individuals whose gross income exceeds an applicable threshold amount are subject to phase out rules that may reduce or eliminate the individual's ability to deduct the expenses. The operating expenses of the Company, including the Management Fee, may be treated as miscellaneous itemized deductions subject to the foregoing rule. Alternatively, it is possible that the Company will be required to capitalize management fees. Non-corporate U.S. Investors should consult their own tax advisors with respect to the application of these limitations.

Syndication expenses that are attributable to the offering and sale of Membership Interests must be capitalized and added to the U.S. Investor's basis in the Membership Interests (and, hence, cannot be deducted or amortized). Other organizational expenses of the Company must generally also be capitalized, but may be amortized over a 180-month period.

3.8% Medicare Tax. A U.S. Investor that is an individual or estate, or trust that does not fall into a special class of trusts that is exempt from the tax, will be subject to a 3.8% Medicare tax on the lesser of: (i) the U.S. Investor's "net investment income" for the relevant taxable year and (ii) the excess of the U.S. Investor's adjusted gross income (increased by certain amounts of excluded foreign income) for the taxable year over a certain threshold. It is anticipated that net income and gain attributable to an investment in the Company will be included in a U.S. Investor's "net investment income" subject to this Medicare tax, as well as net gain from a disposition of the U.S. Investor's Membership Interests. Net investment income may, however, be reduced by properly allocable deductions to the income.

U.S. Federal Income Taxation of Non-U.S. Investors

This section describes, in general terms, the U.S. federal income taxation of Investor Members who are not U.S. Investors ("Non-U.S. Investors") with respect to income derived by the Company. The rules governing the U.S. federal income taxation of Non-U.S. Investors are complex, and the IRS has not provided, and may never provide, any guidance addressing the interaction of these rules with the QOZ provisions. The following discussion does not address or consider all aspects of U.S. federal income tax of an investment in the Company and does not consider state, local, or non-U.S. tax consequences.

FDAP. Non-resident alien individuals and foreign corporations generally are subject to U.S. federal income tax on fixed or determinable, annual or periodic income ("FDAP") received from U.S. sources, including U.S. source dividends to the extent not effectively connected with the conduct of a U.S. trade or business. U.S. source FDAP generally is subject to a 30 percent U.S. tax applied to the gross amount (with no allowance for deductions) of FDAP unless a lower rate applies to the gross amount of FDAP under an applicable U.S. treaty. It is generally collected through withholding. In general, it is not anticipated that an investment in the Company will generate fixed or determinable, annual or periodic income.

ECI. Non-resident alien individuals and foreign corporations generally are also subject to U.S. federal income tax on their income that is effectively connected with the conduct of a U.S. trade or business ("ECI"). The taxable income of a non-resident alien individual or foreign corporation that is effectively connected with the conduct of a U.S. trade or business is subject to the same U.S. federal graduated rates of tax that apply to U.S. persons applied to taxable income (gross income less, in most cases, deductions). Taxable income is computed by claiming deductions that are connected with the effectively connected gross income on a timely filed return. A non-resident alien individual or foreign corporation that derives ECI (including amounts received as a partner is required to file a U.S. federal income tax return.

Withholding. As discussed in more detail below, a U.S. or foreign partnership generally is required to withhold U.S. tax under Code section 1446 with respect to effectively connected taxable income of the partnership derived through the partnership by foreign persons who are partners in the U.S. or foreign partnership. U.S. tax generally is required to be withheld quarterly by a partnership under Code section 1446 with respect to its foreign partners without regard to whether the partnership actually distributes any amounts to the foreign partners, and quarterly payments of Code section 1446 withholding tax generally are required to be deposited by a partnership using Form 8813 and reported to partners when deposited. The partners generally may take into account these payments in determining whether they are required to make any additional estimated tax payments, and may claim these amounts as credits against their U.S. federal income tax liability.

A partnership may be liable for failure to comply with the Code section 1446 withholding requirements, including failure to make timely quarterly payments, and failure to withhold the required amount (under withholding). Under section 1446, a partnership that has ECI allocable to a foreign partner generally must file an annual return with respect to the section 1446 withholding on Form 8804, and must file a separate Form 8805 with respect to each foreign partner. Gain on the disposition of a USRPI recognized by a non-resident alien individual or foreign corporation (including an amount derived as a partner through a partnership) is treated as gross income that is ECI and generally the taxable amount of such ECI (gain reduced by deductions) is subject to U.S. federal income tax at graduated rates. Such tax is referred to in this summary as the "FIRPTA Tax". FIRPTA Tax generally

is not reduced under the U.S.-Canada Treaty. In addition, U.S. tax generally is required to be withheld, at different rates depending on the circumstances, under the FIRPTA Tax rules.

Amounts distributed to a partnership are taxable to its partners, based on each partner's share of the partnership income, at rates generally applicable to ECI. The amount withheld is without regard to a foreign person's ultimate tax liability, and the amount required to be withheld will not necessarily equal the foreign person's U.S. tax liability with respect to the taxable amount of that distribution. In addition to liability for regular federal income tax on ECI, a corporate Non-U.S. Investor that derives income that is (or is treated as) ECI (including amounts received as a partner through a partnership) may also be subject to U.S. branch profits tax. The U.S. branch profits tax generally is imposed at a rate of 30 percent, subject to reduction under an applicable tax treaty. Corporate Non-U.S. Investors should not be eligible for a reduced U.S. branch profits tax rate under the U.S.-Canada Treaty.

Gain from the disposition of its Membership Interests generally will be treated as gain from the disposition of a USRPI in determining the U.S. federal income tax liability of Non-U.S. Investors. Consequently, gain of a Non-U.S. Investor from a sale or exchange of its investment or gain recognized on a distribution by the Company in excess of the U.S. tax basis of the Investor's Membership Interests to the extent attributable to the Company's investment in real property generally will be subject to FIRPTA Tax as gain from the disposition of a USRPI. Effective for sales, exchanges and dispositions on or after November 27, 2017, the Act clarifies the law to provide that gain or loss from the sale, exchange or disposition of a partnership interest is gain or loss that is ECI to the extent that the transferor would be allocated ECI if the partnership were to sell all of its assets at fair market value as of the date of the sale, exchange or disposition and the resulting gain or loss allocated to the partner would be ECI. For this purpose, the ECI would have to be treated as being allocated in the same manner as the partnership's non-separately stated income and loss would be allocated.

An exception to gain recognition may apply to certain distributions. U.S. federal income tax withholding also may be required on a sale or exchange of Membership Interests by a Non-U.S. Investor, and may be required on the redemption by the Company of a Non-U.S. Investor's interest in the Company. Effective for sales, exchanges and dispositions after December 31, 2017, a transferee of a partnership interest is required to withhold 10% of the amount realized in such sale, exchange or disposition unless the transferor certifies to the transferee that the transferor is not a foreign person. If the transferee fails to withhold the correct amount, the partnership would be required to withhold from distributions to the transferee partner the amount that the transferee failed to withhold.

No assurance can be given that the IRS will approve a withholding certificate application. Following the change in corporate rates by the TCJA, the withholding rate applied to partnerships under sections 1445(e) and 1446(b) on FIRPTA gain allocated to a non-U.S. corporate partner is reduced from 35 percent to 21 percent. Partnerships still must withhold tax under section 1446 at the highest individual tax rate (37 percent) on FIRPTA gain allocated to a non-U.S. partners that are not corporations.

Corporate Non-U.S. Investors will not be subject to U.S. branch profits tax on gain from the sale or exchange of Membership Interests or on a distribution in excess of the U.S. tax basis in its Membership Interests. The amount withheld by the transferee may be credited against the Non-U.S. Investor's U.S. federal income tax liability if the transferee properly completes and files with the IRS a Form 8288 with a Form 8288-A that contains the Non-U.S. Investor's U.S. taxpayer identification number, and

the Non-U.S. Investor attaches to its annual return the copy of the Form 8288-A that the IRS will stamp and send to the Non-U.S. Investor.

Non-U.S. Investors are required to file a U.S. federal income tax return to report any USRPI gain (i.e., Form 1040-NR for non-resident alien individuals and Form 1120-F for foreign corporations), without regard to whether amounts are withheld. The U.S. federal income tax returns generally must be filed no later than two years after the tax is withheld in order for any excess withholding to be recovered. The U.S. federal income tax treatment of the Company and its operations and investments will have a material effect on an investment in its Membership Interests.

Special Considerations for Tax-Exempt Investors

U.S. Investors that are Tax-Exempt Investors may be subject to tax on a part of their share of Company income, depending on the extent to which that income is characterized as UBTI. Generally, UBTI includes income or gain derived from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of the Tax-Exempt Investor's exempt purpose or function. Receipt of UBTI may subject charitable remainder trusts to severe income tax consequences, including subjecting all of their UBTI to a 100% tax. When computing UBTI, a Tax-Exempt Investor must include its share of income of any partnership of which it is a partner to the extent that the income would be UBTI if earned directly by the Tax-Exempt Investor. UBTI generally does not include dividends, interest, royalties, or gains from the sale, exchange, or other disposition of property (other than inventory or property held primarily for sale to customers in the ordinary course of a trade or business, the as the trade or business of a dealer). However, UBTI includes "unrelated debt-financed income," which is generally defined as any income or gains derived from property with respect to which "acquisition indebtedness" has been incurred, even if the income would otherwise be excluded in computing UBTI.

While the Company expects that a substantial portion of its income may consist of interest and gains from the sale or exchange of capital assets, the exclusion from UBTI for these items will not apply to the extent that any Tax-Exempt Investor incurs "acquisition indebtedness" with respect to its investment in the Company or the Company incurs "acquisition indebtedness" with respect to their investments. In addition, if the Company borrows to fund its investments, it is likely that Tax-Exempt Investors would realize UBTI as a consequence of an investment in the Company. Tax-Exempt Investors should consult their own tax advisors regarding the impact of the rules relating to UBTI on their investment in the Company.

Additional U.S. Tax Considerations

Adjustments to Basis of Assets. The Company may make an election under Section 754 of the Code to adjust the tax basis of the assets of the Company in connection with a transfer of Membership Interests and certain distributions by the Company. Because of the accounting complexities that can result from having an election in effect, and because the election, once made, cannot be revoked without the consent of the IRS, the Managing Member can determine whether to make a Section 754 election in its sole discretion. The Company also will generally be required, under certain circumstances, to reduce the basis of its assets in connection with certain transfers of Membership Interests and certain distributions. Additionally, if an Investor transfers his, her or its Membership Interests, (i) a subsequent purchaser of those Membership Interests will not receive any of the tax

benefits with respect to the Company's investment in QOZ Business Property, discussed above, and (ii) the QOZ tax benefits, discussed above, for which an Investor may qualify may be significantly reduced if the Membership Interests are transferred prior to the tenth anniversary of the Investor's acquisition of the Membership Interests.

Information Returns and Schedules. The Company will provide information on Schedule K-1 (or equivalent) to U.S. Investors as soon as reasonably practicable following the close of the Company's taxable year. **The Company may not be able to provide this information before April 15. As a result, U.S. Investors may need to apply for an extension of time to file their U.S. federal, state, and local income tax returns**.

Audits. The Managing Member will decide how to report the Company items on the Company's tax returns. In certain cases, the Company may be required to file a statement with the IRS disclosing one or more positions taken on its tax return, generally where the tax law is uncertain or a position lacks clear authority. All Members are required under the Code to treat the Company items consistently on their own returns, unless they file a statement with the IRS disclosing the inconsistency. Given the uncertainty and complexity of the tax laws, it is possible that the IRS may not agree with the manner in which the Company's items have been reported. In the event the income tax returns of the Company are audited by the IRS, the tax treatment of income and deductions of the Company generally will be determined at the Company level in a single proceeding, rather than by individual audits of the U.S. Investors. The Managing Member has been appointed as partnership representative with the authority to determine the Company's response to an audit. The limitations period for assessment of deficiencies and claims for refunds with respect to items related to the Company is generally three years after the Company's return for the taxable year in question is filed, and the Managing Member has the authority to, and may, extend the period with respect to all Members. It is possible that the IRS will audit the information returns to be filed by the Company. If an audit results in an adjustment, each Member may be required to pay additional taxes, interest and possibly penalties and additions to tax. There can be no assurance that the Company's tax return will not be audited by the IRS or that no adjustments to the returns will be made as a result of an audit. If the IRS audits the tax returns of the Company, an audit of the Investor Members' own returns may result. The Company will bear the legal and accounting costs incurred in connection with any audit of the tax returns of the Company, but the Investor Members will bear the cost of audits of their own returns.

Other Tax Considerations

State and Local Taxes. U.S. Investors or the Company may be subject to various state and local taxes in jurisdictions in which the Company's investments are located and may be required to file tax returns in those jurisdictions. The Company may be required to withhold or pay state or local taxes if it, directly or indirectly, through a partnership or limited liability company, engages in business in certain states or localities. State and local tax laws may differ from U.S. federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction, and credit. Prospective investors are encouraged to consult their tax advisors regarding the state and local tax consequences of an investment in the Company.

Miscellaneous. Each Member will be required to indemnify the Company for all U.S. income and withholding taxes applicable to its allocable share of Company income. An investment in the Company involves complex tax considerations that will differ depending on the investor's particular

circumstances. There can be no assurance that the structure of the Company or of any investment made through the Company will be tax-efficient for any particular investor.

The foregoing summary should not be considered to describe fully the income and other tax consequences of an investment in the Company. Prospective investors are strongly urged to consult with their tax advisors, with specific reference to their own situations, with respect to the potential tax consequences of an investment in the Company.

Additional Information

Any communications or inquiries relating to this Supplement or the Memorandum should be referred to:

Alliant Strategic Investments II, LLC
21600 Oxnard Street, Suite 1200
Woodland Hills, California 91367
Attention: Investor Relations
Phone: 818-668-6800
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PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS SUPPLEMENT AS LEGAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN ADVISORS AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THIS INVESTMENT. THE INFORMATION IN THIS SUPPLEMENT SHOULD BE READ IN CONJUNCTION WITH THE MEMORANDUM. THE INFORMATION IN THIS SUPPLEMENT AND THE MEMORANDUM ARE CURRENT ONLY AS OF THEIR RESPECTIVE DATES.

Exhibit A

Operating Agreement

[See Attached.]

Exhibit B

Illustrative Pipeline Summary

[See Attached.]

ALLIANT STRATEGIC OPPORTUNITY ZONE FUND I, LLC

October 14, 2019

Supplement No. 1 to the Confidential Private Placement Memorandum
dated October, 2019

This Supplement (this "Supplement") supplements and amends, and should be read in conjunction with, the Confidential Private Placement Memorandum dated October 14, 2019 and any previous Supplements (as so supplemented, the "Memorandum"), of Alliant Strategic Opportunity Zone Fund I, LLC (the "Company") relating to the offering of Membership Interests in the Company. Capitalized terms used and not otherwise defined herein have the meanings set forth in the Memorandum.

This Supplement is being circulated on a confidential basis to a limited number of prospective investors for the sole purpose of evaluating an investment in the Membership Interests. This Supplement may only be used by such prospective investors (and those who assist in each prospective investor's investment decision) to evaluate an investment in the Company and not for any other purpose. Any reproduction or distribution of this Supplement, in whole or in part, or the disclosure of any of its contents, is prohibited, and all recipients agree that they will keep confidential all information contained herein not already in the public domain. Acceptance of this Supplement by prospective investors constitutes an agreement to be bound by the foregoing terms.

This Supplement is provided for assistance only and is not intended to be and must not be taken alone as the basis for an investment decision. Prospective investors should not construe the contents of this Supplement as legal, business, tax, financial, investment, accounting or other advice. Each prospective investor must make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities offered herby (including the merits and risks involved) and should consult its own advisors with respect to legal, tax, financial, accounting and related matters to determine the merits and risks of such an investment. No person has been authorized to give any information or to make any representation other than that

which is contained in this Supplement and, if given or made, such information or representation must not be relied upon as having been authorized.

This Supplement does not constitute an offer to sell or a solicitation of an offer to buy the Membership Interests in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction or to any person who is not an "accredited investor" as defined in the rules and regulations of the United States Securities Act of 1933, as amended (the "Securities Act"). No action has been taken that would, or is intended to, permit a public offer of the Interest in any country or jurisdiction where action for the purpose is required. Accordingly, Membership Interests may not be offered or sold, directly or indirectly, in any country or jurisdiction except where approved in advance by the general partners of the Funds in their sole discretion and under circumstances that will result in compliance with any applicable laws and regulations. It is the responsibility of any persons wishing to subscribe for these Membership Interests to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective investors should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of these securities, and any non-U.S. exchange restrictions that may be relevant thereto. See the Memorandum for additional limitations on the offering and resale of the Membership Interests. The Membership Interests are offered subject to prior sale and subject to the right of the Company to reject any subscription in whole or in part.

The Membership Interests are being offered as a private placement to a limited number of investors and have not been and will not be registered under the Securities Act, or any state or other securities laws or the laws of any foreign jurisdiction in reliance on exemptions from such registration. The Company will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (collectively, the "Investment Company Act"). Consequently, investors will not be afforded the protections of the Investment Company Act. The Membership Interests have not been recommended, endorsed, approved or disapproved by any U.S. federal or state, or any non-U.S., securities commission or regulatory authority, nor has any such authority or commission passed on the accuracy or adequacy of this Supplement or the merits of the offering described herein. Any representation to the contrary is unlawful.

The Membership Interests are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state, foreign and other securities laws, pursuant to registration or exemption therefrom. The transferability of Membership Interests will be further restricted by the terms of the Company's Operating Agreement. There will not be any public market for the Membership Interests and there is no obligation on the part of any person to register the Membership Interests under the Securities Act, any state securities laws or the laws of any foreign jurisdiction. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Each prospective investor hereby is invited to ask questions of representatives of the Company concerning the terms and conditions of the offering and to obtain any additional information (to the extent such representatives possess such information or can acquire it without unreasonable effort or expense) necessary to verify the accuracy of the information in this Supplement. The obligations of the Managing Member are set forth in, and will be governed by, the Operating Agreement and the Subscription Documents for the Membership Interests, all of which are subject to revision prior to the final closing of the offering. All of the statements and information contained herein are qualified in their entirety by reference to these agreements, copies of which will be provided to prospective investors upon request and which should be carefully reviewed for complete information concerning the rights and obligations of investors in the Company. In the case of any difference or ambiguity between this Supplement and the Operating Agreement or the Subscription Documents, the Operating Agreement and the Subscription Agreement shall control.

In considering the purchase of Membership Interests and reviewing the information contained herein, prospective investors should bear in mind that past performance is not indicative of future results and that there can be no assurance that the Company will generate results comparable to those previously achieved by the sponsors of the Company or achieve their stated investment objectives, or that investors will receive a return of their capital. In addition, any forward-looking statements contained herein are subject to known and unknown risks, uncertainties and other factors which may cause actual results to be materially different from those contemplated in such statements.

Investment in the Membership Interests will involve significant risks and is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Company.

This Supplement is intended to modify and update various provisions of the Memorandum. The Memorandum remains in effect except for the modifications and updates specified herein. Except as otherwise indicated, all information contained in this Supplement and the Memorandum is given as of their respective dates. Neither the delivery of this Supplement nor the Memorandum nor any sale of Membership Interests shall under any circumstances create any implication that there has been no change in our affairs since the stated dates. The Company does not undertake any obligation to update or revise any forward-looking statements contained in this Supplement to reflect events or circumstances occurring after the date of this Supplement or to reflect the occurrence of unanticipated events.

Updates to Memorandum

This Supplement reflects the following corrections and updates:

- The Priority Return to Investor Members will be 7%, not 6%;
- The Managing Member's Carried Interest will be 20%, not 25%; and

- The offering of Membership Interests will be conducted and reliance upon Rule 506(c) of Regulation D under the Securities Act, not Section 506(b).

Accordingly, the following sections of the Memorandum amended to read as follows:

SUMMARY OF THE OFFERING

Cash Flow Distributions:	Subject to tax distributions, if any, the Company may, at the Managing Member's discretion (including Managing Member's interpretation of any regulations or other guidance from the IRS), make distributions to Members from Available Cash. Distributions of Available Cash from operations (i.e., not from a Capital Event) would be made in the following order of priority in respect of each such distribution: (i) 100% payment to the Investor Members of the Priority Return (to the extent not already met); (ii) a "catch up" distribution of 50% percent to the Managing Member and 50% to the Investor Members until the Managing Member has received an amount equal to 20% of the amounts distributed pursuant to sections (i) and (ii) hereof; (iii) thereafter, 80% to the Investor Members and 20% to the Managing Member. "Available Cash" means the excess of the Company's cash and cash equivalents over the amount of cash needed by the Company, as determined by the Managing Member (as defined below) in its sole discretion, to (i) service its debts and obligations (contingent or otherwise) to any person (including, without limitation, to any Member or his/her/its Affiliate), in accordance with their terms, (ii) maintain adequate capital and reserves for, by way of example and not of limitation, working capital and reasonably foreseeable needs of the Company, and (iii) conduct its business and carry out its purposes. Available Cash does not include the Capital Contributions of the Investor Members.
Capital Distributions:	If a Capital Event such as a sale or refinancing of an Investment Property occurs and the Managing Member determines to make a distribution in respect thereof in its sole discretion, then Available Cash to the Company generated by such Capital Event will be distributed as follows:

	(i) payment of the Priority Return to the Investor Members (to the extent not already met); (ii) to the Members until each has received a return of 100% of their Unreturned Capital Contributions; and (iii) thereafter, 80% to the Investor Members and 20% to the Managing Member from the specific property (or group of properties) generating the Capital Event. "Unreturned Capital Contributions" means with respect to each Investor Member, the amount of such Investor Member's Capital Contribution, less any amounts paid to such Investor Member as a return of its Capital Contribution.
Investor Suitability:	This Offering will be made pursuant to exemptions from registration provided by Section 4(a)(2) of the Securities Act and the private placement exemption provided by Rule 506(c) of Regulation D of the Securities Act, as well as exemptions available under applicable state securities laws and regulations. Persons desiring to make an investment will be required to make certain representations and warranties and provide documentation regarding their financial condition in the subscription agreement. The Company and the Selling Group reserve the right to reject any subscription, in whole or in part, in our sole and several discretions. (See "Suitability Standards.")

OUR BUSINESS

Distributions to Members

Any Available Cash (as defined below) may, in the discretion of the Managing Member, be reinvested by the Company, or be periodically distributed to the Company's Members as Member Distributions ("Member Distributions").

"Available Cash" is defined in the Operating Agreement as the excess of the Company's cash and cash equivalents over the amount needed, determined in the Managing Member's sole discretion, to (i) service its debts and obligations (contingent or otherwise) to any person (including to any Member or Affiliate), in accordance with their terms, (ii) maintain adequate capital and reserves, including for working capital and reasonably foreseeable needs of the Company (and consistent with the Opportunity Zone Code provision and regulations), and

(iii) conduct its business and carry out its purposes. Available Cash does not include the Capital Contributions of the Investor Members.

It is in the Managing Member's discretion as to whether, and if so, when, to make Member Distributions, and the decision will depend on whether Available Cash for distribution has been received since any previous Member Distribution. The period until the first Member Distribution, and each period between Member Distributions thereafter, may be respectively referred to as a "Member Distribution Period." There is no guarantee that all Priority Returns, or any amount, will be distributed at the end of any Member Distribution Period.

Subject to tax distributions, Available Cash from operations (i.e., not from a sale, refinance or liquidation event of the Property Entities or Investment Properties), to the extent distributed, will be distributed to the Members in the following order of priority:

1. First, 100% payment to the Investor Members of the Priority Return (to the extent not already met); and

2. Second, a "catch up" distribution of 50% percent to the Managing Member and 50% to the Investor Members until the Managing Member has received an amount equal to 20% of the amounts distributed pursuant to sections (1) and (2) hereof; and

3. Thereafter, 80% to the Investor Members and 20% to the Managing Member, will be distributed, in each case, of the Available Cash for distribution that may come available.

In the case of distributions from the proceeds of a disposition of an Investment Property or Property Entity, or if a liquidation event occurs with respect to the Company (each, a "Capital Event"), proceeds of such Capital Event will be distributed as follows:

1. First, 100% payment to the Investor Members of the Priority Return (to the extent not already met);

2. Second, to the Members until each has received a return of 100% of their Unreturned Capital Contributions; and

3. Thereafter, 80% to the Investor Members and 20% to the Managing Member from the specific property (or group of properties) generating the Capital Event.

Whether distributions are made to cover tax liabilities, and the amount of those distributions, is in the discretion of the Managing Member. Distributions to cover tax liabilities are not to be made more often than on a quarterly basis, and will only be made to the extent there is Available Cash and to the extent such distributions do not affect the Company's qualifications under Section 1400Z-2 of the Code. Distributions, if any, made in this manner will be taken into account in calculating subsequent Member Distributions so that in the aggregate, all distributions to the Members are divided among the Members in the manner they would have been divided without this provision. While the Company expects to be in a position to make distributions to

Investor Members sufficient to enable Investor Members to pay the taxes due at the end of the deferral period on December 31, 2026, due to the nature of the Company and the holding period on investments, it may not be possible to make such distributions at that time. Whether or not the Company makes such distributions, Members will be responsible for their own tax obligations. Additionally, in the event the Company is unable to meet or maintain the 90% Requirement, Investor Members would be responsible for a penalty (see "U.S. Federal Income Tax Considerations"), which the Company may or may not be in a position to make distributions to cover.

Priority Returns are not guarantees of payment, an interest rate, or a return on investment but, rather, a formula by which the amount the Company may distribute to an Investor Member in excess of the repayment of the Investor Member's Capital Contribution is determined. Any such distributions are contingent on the Company having sufficient Available Cash for distribution from its business. There is no guarantee that Investor Members will receive all or any part of their Priority Returns or the return of their Unreturned Capital Contributions.

The Managing Member will determine the Priority Return prior to each Member Distribution Period, including only the days within the Member Distribution Period that are after the Member's Capital Contribution has been accepted by the Company.

At the time the Company elects to wind up its affairs and, after the payment of all expenses of the liquidation, payment of the Company's debts, plus the establishment of reserves the Managing Member determines to be necessary or appropriate for actual or contingent liabilities or obligations of the Company, all remaining amounts will be distributed to the Members in the manner previously set forth.

APPENDIX A

Table of Defined Terms

"Priority Return" means payment equal to a 67% per annum cumulative return on Unreturned Capital Contributions. The Priority Return will accrue year to year to the extent not paid current.

Updates to Operating Agreement

The forms of Operating Agreement furnished herewith has been revised to reflect the changes noted above. To the extent there is any inconsistency between the Memorandum and the revised form of Operating Agreement, the revised form of Operating Agreement shall govern.

Additional Information

Any communications or inquiries relating to this Supplement should be referred to:

Alliant Strategic Investments II, LLC
21600 Oxnard Street, Suite 1200
Woodland Hills, California 91367
Attention: Investor Relations
Phone: 818-668-6800
Email: Investors@alliantstrategic.com

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS SUPPLEMENT AS LEGAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN ADVISORS AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THIS INVESTMENT. THE INFORMATION IN THIS SUPPLEMENT SHOULD BE READ IN CONJUNCTION WITH THE MEMORANDUM. THE INFORMATION IN THIS SUPPLEMENT AND THE MEMORANDUM ARE CURRENT ONLY AS OF THEIR RESPECTIVE DATES.

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

ALLIANT STRATEGIC OPPORTUNITY ZONE FUND I, LLC

September 24, 2019

Alliant Strategic

DATED: September 24, 2019

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
Alliant Strategic Opportunity Zone Fund I, LLC,
A Delaware Limited Liability Company

Maximum Offering:	**$125,000,000**
Minimum Investment:	**$150,000 (subject to Managing Member's right to accept lesser amounts in its sole discretion)**

This Confidential Private Placement Memorandum (the "Memorandum") describes the private offering (this "Offering") by Alliant Strategic Opportunity Zone Fund I, LLC, a Delaware limited liability company (the "Company," and the terms "we," "us," and "our" refer to the Company and, to the extent applicable, each of them shall apply collectively to Alliant Strategic Opportunity Zone Fund I, LLC together with any parallel, feeder or special purpose vehicles), of a maximum of $125,000,000 of membership interests in the Company with a minimum investment per subscriber of $150,000 (subject to Managing Member's right to accept lesser amounts in its sole discretion). The terms and conditions of the investment are further described in "Description of the Interests and Operating Agreement." Membership interests in the Company are being offered on a "best efforts" basis by (i) the Managing Member (as defined below) and its officers and directors and (ii) CommonGood Securities LLC (the "Broker"), a broker-dealer registered with the Securities and Exchange Commission (the "SEC") and a member of the Financial Industry Regulatory Authority ("FINRA"). The Broker may enter into selling agreements with other SEC registered, FINRA member broker-dealers (collectively with the Broker, the "Selling Group"). The Offering is limited to investors who are "accredited investors" as defined under Regulation 501 of the Securities Act of 1933 (the "Securities Act"). See "Suitability Standards." The Company will be advised by Alliant Strategic Adviser, LLC, a Delaware limited liability company (the "Adviser"), an investment adviser that intends to qualify as an exempt reporting adviser under the Advisers Act.

The Company is formed to invest in real estate within qualified "opportunity zones" created pursuant to the 2017 Tax Cuts and Jobs Act (the "TCJA"), with a focus on development and repositioning.

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR APPLICABLE STATE SECURITIES LAWS, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM OR ENDORSED THE MERITS OF THIS OFFERING AND REPRESENTATION TO THE CONTRARY IS UNLAWFUL. AN INVESTMENT IN THE SECURITIES IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS."

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE PLACEMENT OF UNITS, INCLUDING THE MERITS AND RISKS INVOLVED.

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, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. NO SUCH REGISTRATION IS ANTICIPATED OR SHOULD BE EXPECTED. THE COMPANY'S OPERATING AGREEMENT CONTAINS ADDITIONAL TRANSFER RESTRICTIONS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

NO DEALER, SALESPERSON OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM AND IN THE INVESTMENT SUMMARY, AND, IF GIVEN OR MADE, SUCH INFORMATION AND REPRESENTATIONS MUST NOT BE RELIED UPON. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY STATE TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE RESPECTIVE DATES AT WHICH INFORMATION IS GIVEN HEREIN, OR THE DATE HEREOF. HOWEVER, IF ANY MATERIAL CHANGE OCCURS WHILE THIS MEMORANDUM IS REQUIRED BY LAW TO BE DELIVERED, THIS MEMORANDUM WILL BE AMENDED OR SUPPLEMENTED ACCORDINGLY.

REFERENCE SHOULD BE MADE TO THE FORM OF THE OPERATING AGREEMENT OF THE COMPANY FURNISHED HEREWITH FOR COMPLETE INFORMATION CONCERNING THE RIGHTS AND OBLIGATIONS OF THE RESPECTIVE PARTIES THERETO. CERTAIN PROVISIONS OF SAID AGREEMENT AND OTHER AGREEMENTS ARE SUMMARIZED IN THIS MEMORANDUM, BUT IT SHOULD NOT BE ASSUMED THAT THE SUMMARIES ARE COMPLETE, AND ACCORDINGLY, REFERENCE SHOULD BE MADE TO THE DOCUMENTS THEMSELVES FOR A MORE COMPLETE UNDERSTANDING OF AN INVESTMENT IN THE COMPANY.

THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF PERSONS INTERESTED IN THE PROPOSED PRIVATE PLACEMENT OF THE UNITS, AND ANY REPRODUCTION OR DISTRIBUTION OF THIS MEMORANDUM IN WHOLE OR IN PART WITHOUT THE PRIOR WRITTEN CONSENT OF THE MANAGING MEMBER IS PROHIBITED.

THE OFFEREE, BY ACCEPTING DELIVERY OF THIS MEMORANDUM, AGREES TO RETURN THIS MEMORANDUM AND ALL OTHER ENCLOSED DOCUMENTS TO THE

COMPANY IF THE OFFEREE DOES NOT UNDERTAKE TO PURCHASE ANY OF THE UNITS.

NO OFFER OR SALE MAY BE MADE IN ANY JURISDICTION IN WHICH THE UNITS ARE NOT ELIGIBLE FOR OFFER AND SALE. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANYONE IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED. PROSPECTIVE INVESTORS MUST SATISFY THEMSELVES AS TO FULL COMPLIANCE WITH LOCAL LAWS AND REPRESENTATIONS TO MAKE AN INVESTMENT IN THE COMPANY, INCLUDING OBTAINING ANY REQUISITE GOVERNMENTAL OR OTHER CONSENT AND ADHERING TO ANY OTHER FORMALITY PRESCRIBED IN SUCH JURISDICTION.

FOR FLORIDA INVESTORS

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES ACT. EACH OFFEREE WHO IS A FLORIDA RESIDENT SHOULD BE AWARE THAT SECTION 517.061(11)(A)(5) OF THE FLORIDA SECURITIES ACT PROVIDES, IN RELEVANT PART, AS FOLLOWS: "WHEN SALES ARE MADE TO FIVE OR MORE PERSONS IN [FLORIDA], ANY SALE IN [FLORIDA] MADE PURSUANT TO ...[SECTION 517.061(11)] SHALL BE VOIDABLE BY THE PURCHASER IN SUCH SALE EITHER WITHIN 3 DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER OR AN ESCROW AGENT OR WITHIN 3 DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER."

INVESTOR INFORMATION

The investor membership interests of the Company ("Membership Interests") are speculative securities. Please read this entire Memorandum, including the attached exhibits. They contain information you should know before purchasing any securities in this Offering. In making an investment decision, investors must rely on their own examination of us and the terms of our Offering, including the merits and risks involved. Certain of these key risks include:

- Lack of complete guidance from the IRS as to qualified Opportunity Zone fund requirements;
- Volatility and other risks of real estate investments;
- Use of significant leverage at the investment level;
- Limited supply of suitable investments and potential exit opportunities;
- Lack of diversification;
- Audit risk and risk of changes in tax laws;
- Possible inability to maximize tax benefits;
- Possibility of insufficient working capital or investment capital;
- Reliance on key persons;
- Inherent conflicts of interest;
- Limited experience with the Opportunity Zones program;
- Limited transferability of membership interests with a long term of the Company;
- Limited liability of the Managing Member; and
- The ability of the Managing Member or its Affiliates to form additional opportunity zone funds.

For a more complete list of these risks, see "Risk Factors."

Neither this Memorandum nor the securities offered hereunder has not been submitted to or reviewed, recommended, approved, or disapproved by any federal or state securities commission or regulatory authority. Any representation to the contrary is a criminal offense.

The information contained in this Memorandum is furnished on a confidential basis for use only by a potential investor and by his, her or its representatives and advisors. By accepting this Memorandum, each investor and his, her or its representatives and advisors agree that they will not transmit, reproduce or make available to any other person this Memorandum or any exhibits or other documents supplied in connection therewith. Notwithstanding anything to the contrary contained in this Memorandum, all persons may disclose to any and all persons, without limitations of any kind, the U.S. Federal, state or local tax treatment of the Offering, any fact that may be relevant to understanding the U.S. Federal, state or local tax treatment of the Offering, and all materials of any kind (including opinions or other tax analyses) relating to such U.S. Federal, state or local tax treatment, other than the name of the parties or any other person named herein, or information that would permit identification of the parties or such other persons, and any pricing terms or other nonpublic business or financial information that is unrelated to the U.S. Federal, state or local tax treatment of the Offering to the taxpayer and is not relevant to understanding the U.S. Federal, state or local tax treatment of the Offering to the taxpayer.

Prior to making an investment decision respecting the securities offered hereby, a prospective investor should carefully review and consider the contents of this Memorandum. Prospective investors are urged to make arrangements with the Managing Member to inspect any document referred to in this Memorandum and other data relating to this Offering. The officers of the Managing Member are available to discuss with prospective investors any matter set forth in this Memorandum or any other matter relating to the securities offered hereby and to provide copies of any documents in order that prospective investors and their representatives and advisors may have available to them all information, financial and otherwise, relating to this prospective investment.

Certain parts of this Memorandum reproduce or use information obtained from third parties. The Managing Member has not verified such third party information. No representation or warranty, whether express or implied, is made or assurance given as to the accuracy of such information contained in this Memorandum or that such statements, views, projections or forecasts are correct or will be achieved. Prospective investors must determine for themselves what reliance, if any, they should place on such views, information, projections, statements or forecasts and no responsibility is accepted by the Managing Member in respect thereof. Furthermore, any website or other media referenced or linked in this Memorandum is not incorporated by reference herein and shall not constitute a part of this Memorandum.

Prospective investors are not to construe the contents of this Memorandum or any prior or subsequent communication from the Company, the Managing Member, the Adviser or their respective Affiliates and employees or any professional associated with this Offering as legal or tax advice. Each prospective investor should consult his, her or its own counsel and accountant as to legal, tax and related matters concerning his, her or its investment. No representation or warranties of any kind are intended or should be inferred with respect to the economic return or the tax consequences, which may accrue from investment in the securities. No assurance can be given that existing tax laws will not be changed or interpreted adversely. If the tax laws are changed or interpreted adversely, holders of our securities could fail to realize all or a portion of the economic or tax benefits contemplated herein.

The securities will be sold only to investors that qualify as "accredited investors" as that term is defined in Rule 501(a) of Regulation D under the Securities Act. We reserve the right to reject any subscription in whole or in part in our sole and respective discretion. (See "Suitability Standards.")

Reference should be made to information, documents, and exhibits furnished herewith or by the Managing Member on request for the complete information concerning the rights and obligations of the parties thereto. Certain provisions of such documents are summarized in the Memorandum, but it should not be assumed that the summaries are complete and these summaries are qualified by reference in their entirety to the language contained in such documents.

Some of the information in this Memorandum may contain forward-looking statements. Such statements can be identified by the use of forward-looking words such as "may," "anticipate," "estimate," "continue," "will," "might," "should," "could" or other similar words. These statements discuss future expectations, contain projections of results of operations or of financial conditions, or state other forward-looking information. When considering such forward-looking statements, prospective investors should keep in mind the Risk Factors and other cautionary

statements in this Memorandum. These statements are not guarantees of future performance and are subject to certain risks, uncertainties, and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. These risks and uncertainties include those described in "Risk Factors" and elsewhere in this Memorandum. Although the Company and the Managing Member believe that the projections reflected in such forward-looking statements are based on reasonable assumptions, there are certain factors, in addition to these Risk Factors and cautionary statements, such as general economic conditions, local real estate conditions, adequacy of reserves, or weather and other natural occurrences that might cause a difference between actual results and those forward-looking statements. You should not place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this Memorandum. We undertake no obligation to update these statements or to release publicly the result of any revision to the forward-looking statements to reflect events or circumstances after the date of this Memorandum or to reflect the occurrence of unanticipated events.

These securities are being offered subject to acceptance, prior sale and withdrawal, cancellation or modification of the offer at any time without notice.

Each recipient of this Memorandum is encouraged to ask questions concerning the terms and conditions of this Offering. Any communications or inquiries relating to this Memorandum should be referred to:

Alliant Strategic Investments II, LLC
21600 Oxnard Street, Suite 1200
Woodland Hills, California 91367
Attention: Investor Relations
Phone: 818-668-6800
Email: Investors@alliantstrategic.com

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EXECUTIVE SUMMARY

This Executive Summary highlights certain information contained elsewhere in this Memorandum and does not contain all of the information a prospective investor should consider before investing in the Company. All prospective investors should read this entire Memorandum carefully before making an investment in the Company. Each defined term used in this Executive Summary that is not otherwise defined herein has the meaning given to such term in Appendix A.

THE COMPANY; THE PROPERTY

The Company's investment objective is to invest in real estate within Opportunity Zones, focusing on residential rental housing (no less than 80% in aggregate square footage), including associated parking, both for initial development as well as re-development and repositioning opportunities.

Opportunity Zones were established by Congress under the TCJA to encourage investment in designated low-income, economically distressed areas across the United States and a limited number of designated slightly higher income communities that are adjacent to low-income communities. All of the Opportunity Zones have now been nominated by state governors and certified by the Treasury Department. About 8,700 Opportunity Zones have been designated. The Opportunity Zone incentive may give investors the ability to defer or reduce capital gains tax realized from certain asset sales by reinvesting capital gains in a Qualified Opportunity Fund ("QOF") that invests in a qualifying business which meets certain requirements, including being located in an Opportunity Zone. If an Opportunity Zone investment is held for 10-Year Gain Exclusion, then investors may be eligible to receive a full exemption from capital gains tax on the sale of the QOF investment. The Company intends to qualify as a QOF and continue to hold its applicable investments through the 10-Year Gain Exclusion. There can be no assurance, however, that the Company will remain qualified as a QOF or that the investors will be or remain eligible for benefits of the Opportunity Zone incentive. See "SUMMARY OF THE OFFERING" and "U.S. FEDERAL INCOME TAX CONSIDERATIONS" below.

THE SPONSOR AND THE ADVISER

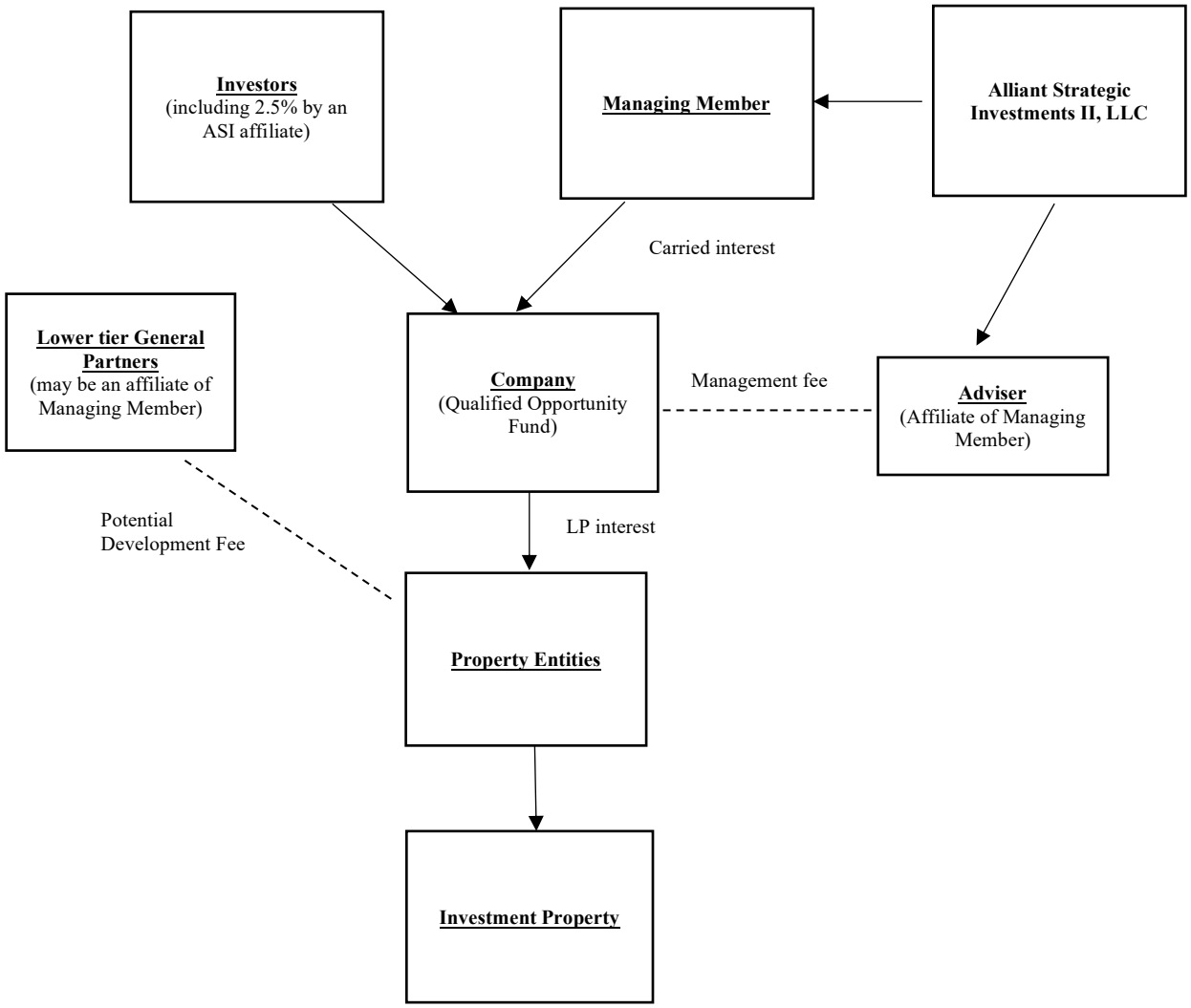
The Adviser will provide certain advisory and management services to the Company. The Adviser is a wholly owned subsidiary of the sponsor, Alliant Strategic Investments II, LLC ("ASI"). ASI is jointly owned by entities controlled by Shawn Horwitz ("Horwitz") and Edward Lorin ("Lorin" and, together with Horwitz, the "Principals"). Horwitz runs Alliant Capital, Ltd., an experienced tax credit syndicator for the financing and development of affordable housing, and Lorin runs Strategic Realty Holdings, which has extensive experience in workforce housing and other multifamily communities with a focus towards repositioning those developments to improve quality of life.

COMPANY STRUCTURE

The Company will pursue a multi-asset, closed-end investment strategy through one or more Property Entities formed to hold interests in the Investment Properties. Investors will participate in the Company by becoming an Investor Member in the Company.

Below is a simplified conceptual diagram of the Company's general legal structure. This diagram does not show all the various entities comprising the Company and certain other features of the Company, and we expect that the Company will invest in multiple Property Entities. The Company reserves the right to (i) form additional entities from time to time and (ii) change the manner in which it acquires and holds interests in its investments, including eliminating or forming intermediary entities, in each case as described more fully in this Memorandum.

Each Investment Property will be held by a limited liability company, limited partnership, limited liability limited partnership or other similar entity (each, a "Property Entity"). The Company will be an investor in the Property Entity with limited liability (e.g. will be a limited partner in a limited partnership, or a non-managing member in a limited liability company, etc.).



SUMMARY OF THE OFFERING

The following summary is qualified in its entirety by the detailed information appearing elsewhere in this Memorandum. Furthermore, all references in this Memorandum to matters governed by the Operating Agreement are qualified in their entirety by the Amended and Restated Operating Agreement of the Company (the "Operating Agreement). The Operating Agreement sets forth definitions of certain capitalized terms used in this Memorandum. Throughout this Memorandum, the terms "we," "us," and "our" refer to the Company. The term "Investor" shall mean qualified entities and individuals receiving this Memorandum. Upon acceptance of an Investor's subscription, the Investor shall then become an "Investor Member" of the Company. Each defined term used in this Summary of the Offering and elsewhere in this Memorandum that is not otherwise defined herein has the meaning given to such term in Appendix A.

The Company:	Alliant Strategic Opportunity Zone Fund I, LLC, a Delaware limited liability company, was formed to invest in real estate within qualified "opportunity zones" (the "Opportunity Zones") created pursuant to the TCJA, with a focus on development and repositioning. Within the Opportunity Zones, we expect to follow the investment objectives outlined below. The IRS has published two sets of proposed regulations and other guidance regarding investing in Opportunity Zones. This, however, is a new and evolving area and more proposed regulations and other guidance have been promised. Accordingly, it may be difficult to assure that the investments contemplated by the Company will qualify as proper investments entitling investors to the favorable tax incentives associated with investing in Opportunity Zones. It is the intent of the Company to comply with all applicable guidance regarding the Opportunity Zones as it is promulgated. (See "Our Business.")
Securities Offered:	We are offering a maximum of $125,000,000 in aggregate Membership Interests to investors who qualify as "accredited investors," as such term is defined under Regulation D of the Securities Act. (See "Suitability Standards.") The minimum investment amount per investor is $150,000, subject to Managing Member's right to accept lesser amounts in its sole discretion. (See "Description of the Interests and Operating Agreement" for more information about the Membership Interests.) We are primarily seeking investors with capital gains from sales or exchanges of any property to an unrelated party within 180 days prior to investment in the Company, or any other gains future legislation or regulation allows for Opportunity Zone investing. Investors may invest in the Company an amount less than or equal to the gain from such sales or exchanges into the

	Company if those proceeds were from within the prior 180-day period beginning with the sale or exchange in the Company (the "180-Day Requirement") and make an election to defer the tax on such gains until as late as December 31, 2026 if such investments are made in accordance with Section 1400Z-2 of the Internal Revenue Code of 1986, as amended (the "Code"). A special rule may provide an Investor that realizes a gain on account of a partnership (or LLC taxed as a partnership) in which it has invested may benefit from a later 180-Day Requirement that commences with the end of the tax year of that partnership or LLC. (See "U.S. Federal Income Tax Considerations"). The Company intends to deploy invested funds from capital gains as quickly as possible following receipt from investors in order to comply with the 90% Requirement. (See "U.S. Federal Income Tax Considerations—Qualifying the Company as a Qualified Opportunity Fund.") However, the Company's ability to invest the monies received from investors timely in order to meet the 90% Requirement depends on a variety of factors, and if the Company is not able to satisfy the requirement, the Investor may incur a penalty. (See "Risk Factors.") Additionally, we may accept funds from investors that are not derived from eligible capital gains. Those funds would not be entitled to the same tax benefits including the Initial Gain Deferral and 10-Year Gain Exclusion as investors who timely invest eligible capital gains may receive. Regardless of how many Investors invest eligible capital gains in the Company, we will use our reasonable best efforts to comply with the requirements of the Code, any proposed, temporary or final regulations or other guidance applicable to QOFs. The Managing Member Affiliates have pledged to invest in no less than 2.5% of the Membership Interests. (See "Plan of Distribution.")
Investment Objectives and Limitations:	The Company's investment objective is to invest in Investment Properties within Opportunity Zones, focusing on residential rental housing (no less than 80% in aggregate square footage), including associated parking, both for initial development as well as re-development and repositioning opportunities. The residential rental housing may have a "workforce" or other multi-family rental housing focus. The remaining 20% of aggregate square footage may include retail, commercial parking, or hotel projects, which typically will be associated in some fashion with the residential rental housing. It is anticipated that the Company will invest no more than 30% of the maximum offering amount (i.e., $37.5 million) into a single

	Investment Property without approval of the Advisory Committee or the Investor Members.
Priority Return:	Payment equal to a 7% per annum cumulative return on Unreturned Capital Contributions. The Priority Return will accrue year to year to the extent not paid currently (the "Priority Return").
Cash Flow Distributions:	Subject to tax distributions, if any, the Company may, at the Managing Member's discretion (including Managing Member's interpretation of any regulations or other guidance from the IRS), make distributions to Members from Available Cash. Distributions of Available Cash from operations (i.e., not from a Capital Event) would be made in the following order of priority in respect of each such distribution: (i) 100% payment to the Investor Members of the Priority Return (to the extent not already met); (ii) a "catch up" distribution of 50% percent to the Managing Member and 50% to the Investor Members until the Managing Member has received an amount equal to 25% of the amounts distributed pursuant to sections (i) and (ii) hereof; (iii) thereafter, 75% to the Investor Members and 25% to the Managing Member. "Available Cash" means the excess of the Company's cash and cash equivalents over the amount of cash needed by the Company, as determined by the Managing Member (as defined below) in its sole discretion, to (i) service its debts and obligations (contingent or otherwise) to any person (including, without limitation, to any Member or his/her/its Affiliate), in accordance with their terms, (ii) maintain adequate capital and reserves for, by way of example and not of limitation, working capital and reasonably foreseeable needs of the Company, and (iii) conduct its business and carry out its purposes. Available Cash does not include the Capital Contributions of the Investor Members.
Capital Distributions:	If a Capital Event such as a sale or refinancing of an Investment Property occurs and the Managing Member determines to make a distribution in respect thereof in its sole discretion, then Available Cash to the Company generated by such Capital Event will be distributed as follows: (i) payment of the Priority Return to the Investor Members (to the extent not already met);

	(ii) to the Members until each has received a return of 100% of their Unreturned Capital Contributions; and (iii) thereafter, 75% to the Investor Members and 25% to the Managing Member from the specific property (or group of properties) generating the Capital Event. "Unreturned Capital Contributions" means with respect to each Investor Member, the amount of such Investor Member's Capital Contribution, less any amounts paid to such Investor Member as a return of its Capital Contribution.
Managing Member Clawback:	If, as of immediately prior to the termination of the Company, the Managing Member is determined to have received greater than 25% of all distributions resulting from Capital Events (such overage, the "Excess Carried Interest"), then the Managing Member will be required to contribute to the Company for distribution to the Investor Members an amount (the "Clawback Amount") equal to the lesser of: (i) the Excess Carried Interest; or (ii) the aggregate amount of all amounts distributed to the Managing Member resulting from Capital Events over the Company's term, less the amount of any tax obligations, calculated at an assumed tax rate, attributable to allocations of taxable income to the Managing Member in respect thereof. In the event of removal of the Managing Member, its clawback liability shall be no greater than the Clawback Amount received by it through the effective date of removal of Managing Member.
Tax Distributions:	The Managing Member may, but is not required to, make discretionary special distributions to any Member disregarding the Members' preference, in an amount calculated to cover the estimated tax liability of the Member or Members in any given period. Any such tax distribution can be made at the discretion of the Managing Member, but will only be made to the extent there is Available Cash and do not affect the Company's qualifications under Section 1400Z-2 of the Code.
Management Fees:	During the term of the Company, the Management Fee shall be payable as follows. On the first day of each calendar quarter, the Company shall pay the Adviser an annual management fee equal to: (i) 2% of total equity committed to the Company aside from equity the Company has committed to Investment Properties that have achieved Stabilization, plus (ii) for Investment Properties that have achieved Stabilization, 0.7% of the Company's Asset FMV. Where an Investment Property has been sold, the Management Fee in respect of that Investment Property will be 0.7% of the sale price until a new Investment

	Property in which the proceeds of that sale have been reinvested achieves Stabilization. "Asset FMV" means current fair market value of an Investment Property owned by the Company based on (i) at Stabilization, third party appraisals performed in connection with the refinancing of the Investment Property (or other appraisals, if there is no such refinancing), and (ii) thereafter, third party appraisals performed no less frequently than every four years for each Investment Property. "Stabilization" means the earlier of (a) achievement of an Occupancy Rate of at least 90% for a period of not less than 3 consecutive calendar months by a completed Investment Property, or (b) the refinancing of the indebtedness to permanent non-recourse financing on such Investment Property. "Occupancy Rate" means the ratio of rented or used square footage of an Investment Property to the total amount of available square footage of such Investment Property.
Organizational Expenses:	The Company will bear the cost of all Organizational Expenses, in an amount not to exceed $500,000, including for counsel, organization of the Managing Member, fees and expenses incurred in relation to the registering and marketing of the Company in any jurisdiction (including travel and accommodation expenses), any other out-of-pocket fees and expenses of the Company and the Managing Member Affiliates for professional services, as described in greater detail in the Operating Agreement. Brokerage fees payable by the Investor Members are not included in the cap on Organizational Expenses.
Placement Fee:	In addition to these Organizational Expenses, the Company will pay the Broker out of the proceeds of the Offering a fee of 1% of all gross proceeds of the Offering sold through its efforts (the "Placement Fee").
Operating Expenses:	The Company will bear the cost of all Operating Expenses, including, all costs, expenses and liabilities that are incurred by or arise out of the operation and activities of the Company, as determined by the Managing Member, including, among other things, accounting and audit expenses, legal and professional expenses, transaction expenses, investment expenses, Advisory Committee expenses, filing and registration fees, reporting expenses, taxes, administrative and technology expenses, fees and expenses relating to credit arrangements, insurance premiums, indemnities (including indemnities of the Managing

	Member, the Adviser and their respective Affiliates), liquidation costs, all liabilities and expenses in connection with any legal claims and, to the extent not borne by another party, aborted transaction costs, which may include costs that may also have been for the benefit of co-investors. (See "Description of the Interests and Operating Agreement—Operating Expenses" for a more complete description of Operating Expenses.) Operating Expenses are described in greater detail in the Operating Agreement.
Managing Member Expenses:	The Managing Member shall bear (a) expenses incurred by the Adviser or the Managing Member or their respective Affiliates in providing for its normal operating overhead, including all salaries for employees of Adviser or the Managing Member, as applicable, all rent and other general and administrative expenses associated with the maintenance of an office for the Adviser, (b) brokerage fees in respect of the offering and sale of the Interests that it has contracted to pay directly (it being understood that brokerage fees of 1% of the Capital Commitments of each Investor Member shall be borne by that Investor Member) and (c) Organizational Expenses in excess of $500,000. For the avoidance of doubt, neither Organizational Expenses of $500,000 or less nor any Operating Expenses shall be Managing Member expenses.
Term of the Company:	The term of the Company will end on the date that is 10 years from the date of the Final Closing, subject to extension, (a) by the Managing Member upon notice to the Investor Member for up to two additional one-year periods following such date, (b) automatically, for such period required by any covenant or restriction contained in loan agreements or other obligations to which the Company or the Investment Properties are subject, (c) by the Advisory Committee or Investor Member Approval, or (d) in the Managing Member's sole discretion, the final QOZ Rules would require a longer term for Investor Members to receive the contemplated tax benefits of a Qualified Opportunity Zone investment. In addition, the Company's term may be ended earlier under the provisions of the Operating Agreement, or may be extended by the Advisory Committee or Investor Members.
Company Managing Member:	ASI OZone GP 1, LLC, with its principal business address at 21600 Oxnard Street, Ste. 1200 | Woodland Hills, California 91367, serves as the sole managing member of the Company (the "Managing Member"). The Managing Member has sole responsibility for our day-to-day management. The Managing Member has not managed an opportunity zone fund before but

	its Affiliates have substantial experience in investing in multi-family residential real estate and managing such assets. (See "The Managing Member and the Adviser.")
Removal of Managing Member:	The Managing Member may only be removed from its position as the managing member of the Company for "Good Cause" by 80% in interest of the Investor Members, excluding Managing Member Affiliates and defaulting Investor Members. The term "Good Cause" means an action or inaction by the Managing Member that has been finally determined by a court of competent jurisdiction to constitute the following: (i) gross negligence, (ii) willful misconduct, (iii) fraud, (iv) bad faith, or (v) a material breach of the Operating Agreement that, in each case, has a materially adverse effect on the Company; provided that (A) no such event will constitute Good Cause if timely refuted by the Managing Member in accordance with the provisions of the Operating Agreement, subject to the reasonable approval of (and after written notice provided by) a majority-in-interest of the Investor Members (other than Managing Member Affiliates); and (B) any event referred to in clauses (i) or (v) will not constitute Good Cause if it is timely cured, in accordance with the provisions of the Operating Agreement, after the receipt by the Managing Member of written notice of such event from a majority-in-interest of the Investor Members (other than Managing Member Affiliates).
The Adviser:	Alliant Strategic Adviser, LLC, with its principal business address at 21600 Oxnard Street, Ste. 1200 | Woodland Hills, California 91367, will serve as the Adviser to the Company. Subject to applicable law, the Adviser may be removed and replaced at any time by the Managing Member.
Key Person Event:	A "Key Person Event" will occur if, at any time during the Investment Period, so long as any Managing Member Affiliate is the general partner of the Company, either (i) both of Shawn Horwitz and Edward Lorin (or, if applicable, his previously approved Qualified Replacement) (each a "Key Person") ceases to be actively involved in the management of the Company (it being understood that the Key Persons may also engage in other activities to the extent that such activities do not materially impair such Key Person's ability to participate in management of the Company), or (ii) upon the death or incapacitation of both Key Persons, the applicable affiliate of the Managing Member does not activate its succession plan or it does not have key man insurance. The Managing Member has the right to replace any Key Person (or Qualified Replacement) with the approval of the Advisory Committee or a majority vote of the Investor

	Members, which approval shall not be unreasonably withheld, conditioned or delayed (each such approved replacement, a "Qualified Replacement"). The Managing Member will give each Investor Member notice of a Key Person Event within 10 business days of its occurrence, which notice will present to the Advisory Committee recommendations for a Qualified Replacement. Approval of a Qualified Replacement shall not be unreasonably withheld, conditioned or delayed by the Advisory Committee or Investor Members, as applicable. If a Qualified Replacement is not approved by the Advisory Committee within 90 days after the occurrence of a Key Person Event, the Investment Period may be suspended with Investor Member Approval. Investor Members may elect to lift such suspension of the Investment Period at any time with Investor Member Approval and such suspension will be automatically lifted upon the approval by the Advisory Committee of the required Qualified Replacement. If a Qualified Replacement is not approved within 180 days after a Key Person Event, 67% in interest of the Investor Members (excluding Member Affiliates) may elect to terminate the Investment Period and, thereafter, may elect to reinstate it at any time. If the Advisory Committee is not constituted, Qualified Replacement decisions will be presented instead to the Investor Members and determined by Investor Member Approval.
Advisory Committee:	The Managing Member may in its discretion establish an Advisory Committee consisting of no less than three and no more than seven representatives, as determined by the Managing Member and willingness to participate. Each Investor Member that is selected to serve on the Advisory Committee may appoint one representative (subject to the Managing Member's reasonable approval) to serve on its behalf as a voting member of the Advisory Committee. If an Advisory Committee is not constituted, all matters which would be brought to the Advisory Committee will be referred instead to the Investor Members for Investor Member Approval. The Advisory Committee may be called to meet from time to time to approve changes to or waivers of certain investment restrictions, certain conflicted transactions, acceptance of a Key Person replacement. The Advisory Committee may also be called to meet for purposes of consulting on other matters at the discretion of the Managing Member. The Advisory Committee will generally act by majority vote of its members, with each member entitled to one vote. Any

	member of the Advisory Committee that does not cast a vote will be deemed to have voted in favor of the proposed action. Except where the approval of the Advisory Committee is expressly required hereunder or in the Operating Agreement, any actions taken by the Advisory Committee will be advisory only, and the Managing Member will not be required or otherwise bound to act in accordance with any recommendations made by the Advisory Committee or any of its members. (See "Description of the Interests and Operating Agreement—Advisory Committee")
Restricted Securities:	The Membership Interests will not be registered under the Securities Act or qualified under the securities laws of any state, but will be offered and sold pursuant to exemptions therefrom. The Membership Interests will be restricted securities under the Securities Act and, absent an effective registration statement, may only be sold in conformity with the provisions of Rule 144 under the Securities Act or any other available exemptions. There is no public market for the Membership Interests, and none is expected to develop.
Transfers; Drag Along:	Membership Interest transfers will be restricted as set forth in the Operating Agreement and, generally, any transfer will require the Managing Member's prior written consent in its sole discretion. The Membership Interests are illiquid. After the expiration of the Investment Period, the Managing Member may cause all Membership Interests held by itself and the Investor Members to be sold in a transaction or series of transactions in its sole discretion, subject to certain conditions. It is anticipated that any such sale would be required to result in proceeds to the Managing Member and Investor Members in accordance with the Company's capital distribution waterfall. (See "Description of the Interests and the Operating Agreement—Drag Along.") To the extent permitted by the final qualified Opportunity Zone rules, the Company may also redeem or purchase any portion of an Investor's Membership Interest in the Company in connection with the disposition of the Company's investments. The purchase price for any drag along sale or redemption would be distributed in the same manner as Capital Distributions.
Plan of Distribution:	The Membership Interests are being offered on a "best-efforts" basis by the Managing Member and its officers, directors and employees and by the Selling Group. The Company will pay the Broker the Placement Fee. The initial closing shall occur at

	such time that shall be determined in the Managing Member's sole discretion. The Offering will conclude on the earliest of (a) the date on which the maximum amount of Membership Interests has been sold, (b) the date on which the Managing Member, in its sole discretion and without further notice to investors, determines to conclude the offering, and (c) the twenty-four month anniversary of the first closing. (See "Plan of Distribution.")
Investor Suitability:	This Offering will be made pursuant to exemptions from registration provided by Section 4(a)(2) of the Securities Act and the private placement exemption provided by Rule 506(b) of Regulation D of the Securities Act, as well as exemptions available under applicable state securities laws and regulations. Persons desiring to make an investment will be required to make certain representations and warranties and provide documentation regarding their financial condition in the subscription agreement. The Company and the Selling Group reserve the right to reject any subscription, in whole or in part, in our sole and several discretions. (See "Suitability Standards.")
Subscriptions:	Investors who wish to make an investment may do so by completing and signing the counterpart signature pages to the Operating Agreement, the subscription agreement and the other documents required therein (collectively, the "Subscription Documents"), which will be sent separately, and delivering to the Company the completed materials. The Managing Member has no obligation to accept any subscriptions or to monitor compliance with the 180-Day Requirement, and may refuse to accept a subscription for any reason. However, the Managing Member (a) will use reasonable efforts to call capital from accepted subscribers, and close, on or before the time they have informed the Managing Member that their 180-day period will expire and (b) intends to call all or substantially all of the subscriber's Capital Commitment at such closing. THE SUBSCRIPTION DOCUMENTS INCLUDE CERTAIN REPRESENTATIONS AND WARRANTIES OF THE INVESTOR ON WHICH WE WILL RELY IN DETERMINING WHETHER TO ACCEPT THE SUBSCRIPTION. PROSPECTIVE INVESTORS ARE URGED TO READ ALL SUBSCRIPTION DOCUMENTS CAREFULLY AND, TO THE EXTENT THEY DEEM APPROPRIATE, TO DISCUSS THE SUBSCRIPTION DOCUMENTS, THIS MEMORANDUM, AND THEIR

	PROPOSED INVESTMENT IN THE SECURITIES WITH THEIR LEGAL OR OTHER ADVISORS.
Drawdowns of Fund Capital; Subsequent Closings	Each Investor Member will contribute any unfunded portion of its Capital Commitment when and as called by the Managing Member upon at least 10 days' prior written notice, or as otherwise agreed to by the Managing Member and such Investor Member. While Capital Contributions may be paid in installments on a pro rata basis, the Managing Member intends to call all or substantially all of that capital at the applicable closing. The Managing Member may arrange for Capital Commitments to be contributed in any other fashion, including installments which are not drawn pro rata to Capital Commitments. The Managing Member may undertake such arrangements in order to facilitate an Investor Member's eligibility to receive the tax benefits of investing in an QOF, or for any other tax, legal, or regulatory reason. Each Capital Contribution to the Company must be made by wire transfer of immediately available funds to an account designated by the Managing Member. An Investor Member's Capital Commitment is irrevocable, and the failure by an Investor Member to make any required payment following a call by the Managing Member will make the defaulting Investor Member liable to substantive penalties.
Default Provisions:	Under the provisions of the Operating Agreement, an Investor Member that does not fund a capital call in a timely manner may be considered to be in default and will be subject to certain remedies specified in the Operating Agreement, including, among others, a loss of voting rights, a requirement for such Investor Member to transfer its interest to another person, and a reduction in the Capital Account and percentage interest of such defaulting Investor Member of up to 300% of the defaulted amount. A default by any one Investor Member will not relieve any other Investor Member from its obligation to fund its Capital Contribution. The Managing Member may seek additional Capital Contributions from the other Investor Members in order to cover any defaulted amounts, although the Capital Commitment of an Investor Member shall not be increased.
Use of Proceeds:	Proceeds from this Offering will be used to invest in projects within Opportunity Zones and pay certain fees and expenses. (See "Estimated Use of Proceeds.")

Investment Period:	The investment period is that period of time during which the Company is permitted to invest or reinvest Capital Contributions. The Investment Period will begin on the first day on which Membership Interests are sold and will end on the 10-year anniversary of the Final Closing, unless terminated sooner upon the occurrence of a Key Person Event. Following the end of the Investment Period, no further investments will be made by the Company, except to the extent necessary to: (i) complete investments for which a letter of intent or a similar commitment has been entered into or made prior to the end of the Investment Period; or (ii) make an additional investment to renovate, protect, support or enhance an existing investment.
Reinvestment:	Reinvestment of invested capital received from the proceeds of the sale of other investments is permitted and may be made so long as it is made in a manner that the Managing Member reasonably believes would permit the Company to continue to qualify as a QOF. Following the end of the Investment Period, the Managing Member may reinvest capital to (i) pay or establish reserves in respect of the Company's investments; (ii) pay or establish reserves in respect of outstanding indebtedness; (iii) make payments in respect of its investments to the extent it is contractually obligated to do so; (iv) pay expenses of the Company (including Operating Expenses, fees, expenses of the Managing Member and indemnification obligations); and (v) make new investments, in the sole discretion of the Managing Member, to cause the Company to continue to qualify as a QOF.
Borrowings:	While we expect our investments to incur significant leverage, we do not typically anticipate Company-level borrowings, although the Managing Member will have the authority to cause the Company to borrow funds in its sole discretion. The Company may enter into any financing transaction (including a loan, IPO, portfolio sale, bridge to sale financing, REIT conversion or restructuring) as necessary to sell, assign or otherwise transfer all or substantially all of the Membership Interests, Property Entity interests or Investment Properties. The Company may also guarantee indebtedness of our Investment Properties.
Operating Agreement:	We are governed by our Operating Agreement. The Operating Agreement provides that, subject to certain limitations, the Managing Member has full, complete, and exclusive control of

	our affairs and operations. No Investor Member has any power to take part in our management, except as required by law or as allowed by the Operating Agreement.
Reports and Tax Returns:	As soon as reasonably practicable after the close of each fiscal quarter, the Managing Member will transmit to each Investor Member a progress report on each of the Investment Properties and a statement of such Investor Member's capital account. The Managing Member will transmit to the Investor Members within 120 days after the close of each fiscal year (or as soon thereafter as reasonably practicable) financial statements of the Company audited by an independent third party auditor selected by the Managing Member, in each case, prepared in accordance with U.S. generally accepted accounting principles. The Managing Member will also provide to the Investor Members, for each of the first three fiscal quarters, unaudited financial statements for the Company a soon as reasonably practicable. All statements provided to the Investor Members will be at the Company's expense. The Managing Member will cause the Company's tax return, IRS Form 8996, and IRS Form 1065, Schedule K-1s and such other information as may be needed to show compliance with the qualified Opportunity Zone rules, to be prepared and filed on a timely basis and will prepare and mail to each Partner such Partner's Schedule K-1 as promptly as practicable after the close of the Company's fiscal year (or as soon thereafter as reasonably practicable, which may be after April 15). Investor Members should be prepared to obtain extensions of the filing date for their income tax returns at the federal, state and local levels. The Managing Member may also engage a tax structuring consultant to prepare an Agreed Upon Procedures Report ("AUP") analyzing the Company's satisfaction of the 90% Requirement and any other reports needed to qualify as a QOF. Novogradac & Company, LLP will be the initial tax structuring consultant.
Risk Factors:	An investment in the Membership Interests involves various risks and other important considerations, as more fully described in "Risk Factors" and "Conflicts of Interest" contained herein. **Please read this entire Memorandum before investing.**

RISK FACTORS

An investment in the Company involves a high degree of risk. Each Investor should carefully consider the risks and uncertainties described below and the other information in this Memorandum before deciding whether to make an investment in the Company. The occurrence of any of the following risks, among others, could materially and adversely affect the Company's business, financial condition, and operating results. In any such case, Investors may lose part or all of their investment. The risks and uncertainties described below are not exclusive and are intended to reflect the material risks that are specific to the Company, material risks relating to the industry in which the Company will operate, material risk related to compliance with the Opportunity Zone requirements and material risks related to companies who undertake an offering of securities such as those being offered hereby.

Risks Related to Investments in Real Estate

Investments in real estate have been volatile and valuations have experienced severe past downward corrections, and there can be no assurance such will not recur. The global financial markets experienced significant disruptions from 2008 through 2009, during which time the global credit markets collapsed, borrowers defaulted on their loans at historically high levels and banks and other lending institutions suffered heavy losses. Thereafter, during the second half of 2011 and throughout 2012, volatility in the financial markets resulting from the European sovereign debt crisis, U.S. debt ceiling crisis and U.S. government credit downgrade led to further uncertainty about the availability of capital. More recently, the immediate aftermath of the June 23, 2016 decision of United Kingdom voters to exit the European Union was characterized by pronounced price declines globally across a broad range of risk assets, as well as massive swings in currencies. In certain cases, these circumstances materially affected liquidity in the financial markets, making terms for certain financings less attractive and resulting in the unavailability of certain types of financing. Instability in the financial markets in the future could be caused by any number of factors beyond the Company's control, including, without limitation, terrorist attacks or other acts of war and adverse changes in national or international economic and market conditions, including further calls for referenda and political instability amongst member states of the European Union. Uncertainty in the financial markets may adversely affect the business and performance of the Company's investments and, accordingly, the performance of the Company. It may also negatively affect the Managing Member's ability to obtain leverage to purchase or refinance assets for the Company. Further, a renewed economic downturn could increase bankruptcies of and defaults by tenants, and the Company's investments may experience higher vacancy rates and delays in re-leasing vacant space than initially projected, which could negatively impact performance results and uncertainty in the real estate markets.

The Company's business is subject to all of the risks associated with the real estate industry. Investments in real estate are speculative in nature. The Company is subject to all risks incident to investment in real estate, many of which relate to the general lack of liquidity of real estate investments. Many of these factors are not within the Company's control, and could adversely impact the value of the Company's investments. These factors include, but are not limited to:

- downturns in worldwide, national, regional and local economic conditions;

- conditions affecting real estate in specific markets in which the Company may invest, such as oversupply or reduction in demand for real estate;
- changes in interest rates and availability of attractive financing;
- changes in real estate and zoning laws;
- changes in the anticipated cost and timing of new construction, the availability, or lack of adequate labor and materials at the cost reasonably anticipated by the Company and delays resulting from the construction planning, approval and permitting process controlled by governmental agencies.
- changes in the nature of neighborhoods over time;
- environmental or engineering issues unforeseen in due-diligence, and changes in environmental legislation and related costs of compliance;
- condemnation and other taking of property by the government;
- changes in real estate taxes and any other operating expenses;
- the potential for uninsured or underinsured property losses;
- natural disasters, acts of God, terrorist attacks, social unrest and civil disturbances; and
- with regard to specific interests in properties that the Company may acquire that are subsequently leased, tenant mix, shortage of suitable tenants, an inability to identify suitable tenants on profitable terms, declines in the economic health and financial condition of the tenants and the ability to collect rents from tenants, vacancies, property management decisions, property condition and design, changes in market rental rates or laws affecting rental rates, periodic requirements to repair, renovate and re-lease space, increased operating costs, including real estate taxes, state and local taxes, assessments, insurance expense, utilities, and security costs, competition from other properties, and federal or local economic or rent control.

Any of these factors may adversely affect the Company's results of operations and financial condition, the value of the Company's assets, and, consequently, the value of an investment in the Company. Therefore, investors may lose all or a portion of their principal invested in the Company if the Company's investment strategies are not successful. The Company will have no source of funds from which to pay distributions to Investor Members other than current income from, and gain on capital transactions involving, its investments.

The Company's investments may be highly leveraged. It is expected that all or virtually all of the Company's investments may be highly leveraged. The effects of leverage are, on one hand, to increase the funds available for investments, and, on the other hand, to increase the risk of loss. As a result of the use of leverage, a relatively slight decrease in rental revenues of an investment property may materially and adversely affect that property's ability to pay operating expenses and make cash distributions. Further, there can be no assurance that the Managing Member will be able to sell any property for an amount in excess of its mortgage liability and income taxes due on the sale thereof.

The Company faces competition for suitable investments, which may negatively impact its investment returns. Due to the nature of the Company's business, its profitability will depend to a large degree upon the availability of suitable properties and interests therein that meet the Managing Member's investment criteria. The Company will be competing for investments with

other real estate investment vehicles, as well as individuals, REITs, financial institutions (such as mortgage banks and pension funds), hedge funds and other institutional investors. The Company will also compete with other companies that may have greater financial resources or experience and, therefore, may be able to offer more attractive terms. Such competition could reduce the number of suitable opportunities willing to accept the Company's proposals, could cause the Company to pay higher prices for interests in properties than it otherwise would have paid, or may prevent the Company from purchasing a desired interest in a property at all. Additional real estate funds and REITs with similar investment objectives may be formed in the future by other unrelated parties and further consolidations may occur (resulting in larger funds and vehicles). Furthermore, it has been reported that the value of land located in Opportunity Zones has increased relative to the land in surrounding areas, which may negatively impact the value proposition of the Fund. There can be no assurance that the Company will be able to locate, complete and exit investments which satisfy the Company's rate of return objectives, or realize upon their values, or that the Company will be able to invest fully its committed capital. Each of these factors could adversely affect the returns the Company realizes from its investments.

The Company will have limited diversification. The Company's investment objectives will be to invest in real estate within Opportunity Zones, focusing on residential rental housing (no less than 80% in aggregate square footage), including associated parking, both for initial development as well as re-development and repositioning opportunities. The residential rental housing may have a "workforce" housing focus or other multi-family rental housing. The remaining 20% of aggregate square footage may include retail, commercial parking, or hotel projects, which typically will be associated in some fashion with the residential rental housing. Therefore, will not be well diversified in the types of projects owned. As a result, adverse economic, market or other factors affecting the market for workforce housing may have a disproportionately large impact on the Company. For instance, changes in interest rate levels or new tax incentives may impact whether members of this demographic purchase or rent housing. In addition, if the Company only invests in properties which are located in certain geographic areas, there may be risks associated with such particular geographic area, such as the local weather, economics and politics. Furthermore, the Company expects to only make a limited number of real estate investments, each of which may involve a high degree of risk. Even if some of the Company's investments are ultimately quite successful, poor results from other investments could severely and adversely affect the Company's overall investment performance, and Investor Members could suffer impaired returns, or losses, as a result. This risk is amplified if the less than the maximum amount of commitments are sold in this Offering. While it is anticipated that the Company will not invest more than 30% of its maximum offering size in any one Investment Property without Advisory Committee or Investor Member consent, it may have more investment concentration before that time. Further, there are no requirements to diversify the geographies in which the Investment Properties are located which also increases risk due to concentration. The smaller the total Offering, the more likely that there will be concentration of investments.

The timing or success of the Company's exit or liquidity strategy for any given Investment Property may be negatively affected by market conditions at that time. One of the factors that the Company considers when evaluating investment opportunities is the potential exit or liquidity strategy for its investments. Among the potential exit or liquidity strategies for any given Investment Property may include disposition (i.e., sale) through the conventional real estate market, or a refinancing through traditional lending institutions. The Company's ability to

successfully dispose of or refinance a particular investment will depend in part on market conditions at that time. If the Company must dispose of an investment at an inopportune time or under duress, the proceeds therefrom may be less than could be obtained under other circumstances. Moreover, should the Company opt to pursue refinancing of any given Investment Property, there can be no guarantee that the Company will be able to access the capital markets on favorable terms, if at all. Decisions regarding the timing of disposition or refinance of some or all of the Investment Properties or interests in Investment Properties as well as the terms and conditions under which they will be disposed of or refinanced, will be made by the Managing Member in its sole and absolute discretion. The Company's inability to successfully and profitably liquidate its investments could adversely affect its results of operations and financial condition with negative implications for the value of an investment in the Company. Also, the Managing Member's intent to comply with the requirements of the Section 1400Z-2 of the Code may adversely affect the timing or structure of exit from investments or the success of those investments.

The insurance coverage on the Company's Investment Properties may not protect against possible losses. Neither the Managing Member nor the Company is obligated to obtain insurance. The Company expects that the Investment Properties will be covered by comprehensive liability, fire, extended coverage, and rental loss insurance, at levels that the Company expects to be adequate and comparable to coverage customarily obtained by owners of similar properties and consistent with the Company's insurance criteria as applicable to the specific Investment Property. However, the coverage limits of the Company's policies, or the limits of other insurance policies covering the Investment Properties, may be insufficient to cover the full cost of repair or replacement of all potential losses. Moreover, this level of coverage may not continue to be available in the future or, if available, may be available only at unacceptable cost or with unacceptable terms.

Additionally, there may be certain extraordinary losses, such as those resulting from civil unrest, terrorism, or environmental contamination, which are not generally, or fully, insured against because they are either uninsurable or not economically insurable. For example, the properties may not be insured against losses as a result of environmental contamination. Should an uninsured or underinsured loss occur to an Investment Property, the Company could be required to use its own funds for restoration or lose all or part of its investment in, and anticipated revenues from, the property.

The Company may be subject to liability under environmental laws, ordinances, and regulations. Under various federal, state, and local laws, ordinances and regulations, the Company may be considered an owner or operator of real properties responsible for paying for the disposal or treatment of hazardous or toxic substances released on or in the property, as well as certain other potential costs relating to hazardous or toxic substances (including governmental fines and injuries to persons and property). Such liability may be imposed on the Company whether or not it had knowledge of or responsibility for the presence of hazardous or toxic substances. The Company's efforts to identify and discover environmental liabilities with respect to properties it may acquire or to which it may provide lender financing may not be sufficient, notwithstanding its due diligence efforts including environmental audits designed to ensure that its portfolio will be in substantial compliance with federal, state and local environmental laws, ordinances and regulations regarding hazardous or toxic substances.

To the extent the Company is responsible for environmental liabilities, such could have a materially adverse effect on its results of operations and financial condition as well as jeopardize other Investment Properties in its portfolio, with negative implications for the value of an investment in the Company. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on the Company's return from such investment. Environmental claims with respect to a specific investment may exceed the value of such investment, and under certain circumstances, subject the other assets of the Company to such liabilities.

To minimize the risk of such liability, prior to acquiring any specific Investment Property, the Company may employ, or cause to be employed, an environmental engineering consultant to inspect each property so as to assess the risk of regulated environmental contaminants being present at such property. Additionally, the Company may seek to purchase appropriate insurance to protect the Company from such risks. Nevertheless, it is possible that the engineer's inspection could overlook certain areas of a property which are contaminated with regulated environmental contaminants, that the Company could be subject to liability because of the presence of such hazards, or that insurance may not be available or if available, the cost may be higher than the Managing Member believes appropriate.

The Company may purchase interests in real property directly, and not through separate limited liability entities. Generally, the Company will acquire its Investment Properties or interests in Investment Properties indirectly through limited liability entities. To the extent that the Company purchases properties or interests in real property directly, and not through separate limited liability entities, any liability of the Company relating to one investment property may be enforced against other assets of the Company, including other investment properties owned directly or indirectly by the Company. Such judgments may adversely affect the Company's results of operations and financial condition with negative implications for the value of an investment in the Company. Further, a direct investment in real property would make it more difficult for the Company to meet the 90% requirement.

The Company may invest in interests in real property jointly with related parties and unrelated third parties. The Company may invest in interests in real property jointly with other parties, which may be affiliates of the Managing Member or the Company, or may be unrelated third parties. To the extent the Company invests jointly with an unrelated third party, such third party may not agree with the Company with regard to the management, operation or refinancing of the property, or other aspects relating to the Investment Property, or concerning the method, timing or execution of an exit strategy for the Investment Property. In such event, the Company may be required to hold an investment with limited or no means to dispose of the asset on favorable terms or at all, which could adversely affect the Company's results of operations and financial condition with negative implications for the value of an investment in the Company. In the event that the Company invests in real property jointly with an affiliate of the Managing Member, the managing member of such joint venture may be incentivized to make decisions for the benefit of Managing Member and may earn or collect fees from the Managing Member.

Tax Risks

There is general tax risk associated with this investment. There are substantial tax risks associated with the federal income tax aspects of an investment in the Company. The Company intends to be taxed as a partnership for federal income tax purposes. In addition to continuing IRS reexamination of the tax treatment of partnerships, the income tax consequences of an investment in the Membership Interests are complex, and recent tax legislation has made substantial revisions to the Code. Many of these changes, including changes in the taxation of limited partnerships and their limited partners, affect the tax benefits generally associated with an investment in a limited partnership. The following paragraphs summarize some of the tax risks to the Investor Members that are "U.S. Investors" (as defined below under "U.S. Federal Income Tax Considerations"). Because the tax aspects of the investments and business operations contemplated by this Offering are complex, and certain of the tax consequences may differ depending on individual tax circumstances, each potential Investor is urged to consult with and rely on his, her or its own tax advisor concerning this Offering's tax aspects and his, her, or its specific situation. **No representation or warranty of any kind is made with respect to the IRS's or any other taxing authority's acceptance of the treatment of any item by us or by an Investor.**

There may be taxable income allocated in excess of distributions. It is anticipated that the Company will engage in significant business activities that may generate substantial ordinary income. The Opportunity Zone rules do not reduce or eliminate the tax consequences that may result from this income. Additionally, the Company has not made any commitment to distribute cash or arrange any source of loans of other funds to make distributions when the Initial Gain Deferral lapses, and an Investor is required to include that amount in taxable income at the end of 2026. Similarly, it is possible that a Member's taxable income resulting from his or her interest will exceed the cash distributions received by such Member in any given year. This may occur, among other reasons, because funds we receive may be taxable income to us while we may use such funds for nondeductible operating or capital expenses or the repayment of loans. Similarly, the Company may be allocated income from the Investment Properties in which it invests, without any distribution of cash. Thus, there may be years in which a Member's tax liability exceeds his, her, or its share of cash distributions from us.

Therefore, each Member should ensure that he, she, or it has sufficient funds from other sources to pay all tax liabilities resulting from the ownership of interests in the Company.

There is a substantial risk that we will be audited. Our federal tax 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. It should be noted that recent changes in the tax law with regard to how the IRS conducts audits of partnerships make it more likely that the IRS will audit tax partnerships such as the Company. In addition, depending on whether certain elections are made, an investor may become liable for its share of any additions to tax liability that result from an audit.

There is a possible disallowance of our various deductions. The availability, timing, and amount of deductions or allocations of income will depend not only upon general legal principles but also upon various determinations that are subject to potential controversy on factual and other grounds.

Such determinations could include, among other things, whether fees paid to the Managing Member or its Affiliates are non-deductible on the ground that such payments are excessive or constitute nondeductible distributions to the Managing Member or an Affiliate. If the IRS were successful, in whole or in part, in challenging us on these issues, the federal income tax benefits of an investment in us, if any, might be materially reduced.

Tax laws are subject to change. The discussion of tax aspects contained in this Memorandum is based on law presently in effect. Nonetheless, investors should be aware that new administrative, legislative, or judicial action could significantly change the tax aspects of an investment in us, including any Treasury Regulations regarding the Opportunity Zones incentive that may be proposed or finalized in the future. 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 your investment. We have not obtained, and do not plan to obtain, any ruling from the IRS on any matter affecting the Company or any Member, or any tax opinion.

We may generate unrelated business taxable income. Tax-exempt entities are subject to complex tax rules that would affect the desirability of investing in the Company. If we generate taxable income, some or all of our income may be considered unrelated business taxable income. Tax-exempt entities should consult their own tax counsel regarding the effect of any unrelated business taxable income. In addition, tax-exempt entities will generally not have taxable gains. Unless such entities have eligible taxable gain within 180 days of investing in the Company, they will not benefit from the Initial Gain Deferral or the 10-Year Gain Exclusion.

Allocations of net income and net loss could be challenged. In order for the allocations of income, gains, deductions, losses, and credits under the Operating 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.

Investment Properties in which the Company invests may face tax risks. The Company expects to make most of its investments into Investment Properties, each of which will face the same tax risks consequences and limitations described above. For example, an Investment Property in which the Company invests could be audited, or could have a disallowance of deductions, and there could be a corresponding adverse result to the Company.

Tax Credit Investments. The Company may invest in Investment Properties that have also received other tax incentives, including, but not limited to, LIHTC, new markets tax credits, historic rehabilitation tax credits, and energy tax credits. Investments in such Investment Properties may result in additional restrictions on development, lower potential for profit, and potentially longer exit timetables due to the tax credit recapture periods. Such investments may also result in additional fees to Managing Member Affiliates if such Affiliates are acting as a syndicator in such transaction. The manner in which these programs are operated is inherently inconsistent with the Opportunity Zone program, and thus it would be very difficult for the Company to get the benefit of those tax credits. Further, because of the way these tax credits are realized and the structures used to facilitate generating those tax credits, tax credit investors may get certain economic

benefits before investors in the Company can realize any economic benefits. Further, these structures often contain a put right of the tax credit investors, which put right typically is exercised once the applicable tax credit recapture periods have expired. Because the investments made by the Company are being made both for the purpose of generating tax benefits and being profitable, it is less likely that a tax credit investor would exercise that put right, meaning the tax credit investor may share in some of the Company's investments upside, which could reduce the amount of disposition proceeds that get distributed to the Company.

See "U.S. Federal Income Tax Considerations" and "—Opportunity Zone Fund Risks" for further discussion**.**

Opportunity Zone Fund Risks

The Opportunity Zones incentive is newly created and only limited guidance has been issued. ***There may be significant modifications to the incentive and guidance issued to date, which, when issued, may impact the Company in unanticipated ways***. The Company presently expects to invest amounts raised from investors by this Offering in real estate development and repositioning projects in Opportunity Zones to take advantage of the federal tax benefits for the deployment of private capital through a QOF in certain designated economically distressed areas. While the IRS has provided some guidance regarding the Opportunity Zones program, particularly regarding the certification process and certain investments for QOFs, such as the Company, it is not comprehensive. In addition to the two sets of proposed regulations that have already been issued, additional regulations, pronouncements and other guidance interpreting or clarifying the Opportunity Zone incentive are anticipated. We cannot predict what impact, if any, such additional guidance may have on the Company's investment strategy but such guidance may make some or all of the Company's planned investments ineligible for the deferral or exclusion of tax benefits and may result in the requirement that an Investor immediately pay taxes on gains that were deferred in expectation that the Company would qualify as a QOF (See "U.S. Federal Income Tax Considerations—Introduction—Current Guidance.") Furthermore, Congressional action could significantly alter the benefits associated with the Opportunity Zone incentive.

The failure to invest in a QOF within 180 Days would result in the loss of tax benefits. If an Investor does not invest gain proceeds into a QOF within the requisite 180-Day Requirement period, the Investor will be ineligible for the benefits of investing in Opportunity Zones. The Company will rely on a representation from each Investor that such Investor has eligible gain from a sale or exchange and will be investing within 180 days of such sale or exchange and the Company is not under any responsibility to verify the source of the investment, the amount of the gain, or the passage of the 180-Day Requirement. It should be noted that the proposed regulations provide for different starting dates for computing the 180-Day Requirement, depending on the kind of gain, and whether it arose inside a pass-through entity, such as a partnership. Investors should consult their tax advisors regarding their eligibility and the specific time frame in which to make this investment.

Failure by the QOF to meet the 90% Requirement could result in a loss of tax benefits. A QOF (such as the Company) is measured semi-annually for compliance with the 90% Requirements. Failure to meet the 90% Requirement may result in penalties, interest, and additions to tax; additionally, it is possible that the IRS could deny Opportunity Zone benefits to investors in a QOF

that fails to the 90% Requirement. There can be no assurance that the Company will continue to meet the 90% Requirement. In general, a QOF that does not meet the 90% Requirement is subject to a monthly underpayment penalty, multiplied by the percentage by which 90% exceeds the QOF's percentage of qualified assets.

Disposition prior to the Requisite Holding Period could result in a loss of tax benefits. Exit from the Company is not expected for a period of at least 10 years following the drawdown of capital into the Company, so as to enable investors to qualify for the 10-Year Gain Exclusion. If there is any direct or indirect disposition of by the Company of its Investment Properties prior to the 5-year, 7-year, and 10-year hold, that Investor may be ineligible for Reduction in Taxable Gain or 10-Year Gain Exclusion. While the Opportunity Zone regulations permit the reinvestment of proceeds of a property that has been sold prior to the end of the 10-year holding period, it is unclear how this may affect certain tax benefits. Furthermore, there is a risk that the Company may dispose of a property and be unable to reinvest those proceeds into a new Investment Property, in which case investors could lose the benefit of Opportunity Zone treatment with respect to those proceeds. IN ADDITION, ANY DISPOSITION BY AN INVESTOR OF AN INTEREST IN THE COMPANY MAY RESULT IN THE LOSS OF ITS TAX BENEFITS FROM THE OPPORTUNITY ZONE FUND.

Investors should also be aware that a sale of their Membership Interest to a future purchaser may end the ability of a purchaser to receive the Reduction in Taxable Gain (depending on when it occurs), as well as the 10-Year Gain Exclusion. This may impact the ability to sell or the sale price of such an Investor's Investment in the Company.

Initial Gain Deferral is expected to be taxed in 2026. Under the current Opportunity Zone statute, the Initial Gain Deferral will be included in income no later than December 31, 2026. There is no guarantee that the Company will make distributions to Investors whether or not there is cash available prior to this time. Further, there is no guarantee that there will be Congressional action extending this date. Accordingly, each Investor should plan to have its own liquid assets with which to pay the tax on the Initial Gain Deferral when such tax comes due.

There may be a shortage of desirable projects in Opportunity Zones, which may lead to either a loss of tax benefits or investments in less desirable projects. Investments in Opportunity Zones are generally limited to certain designated low-income, economically distressed areas across the United States and a limited number of designated slightly higher income communities that are adjacent to low-income communities, and there are a limited number of Opportunity Zones. In order to maintain tax benefits, the Company will be required to reinvest much or all of any sales proceeds from Investment Properties into other projects located in Opportunity Zones, typically within a 12-month period. If there is a shortage of desirable projects in Opportunity Zones, or if the market prices of properties located in Opportunity Zones are decreasing at a rate disproportional to other properties, then in order to maintain tax benefits, the Managing Member may be forced to reinvest proceeds into projects that have less potential for capital appreciation. Conversely, under certain circumstances the Managing Member may choose not to reinvest funds into Opportunity Zones, including through making distributions to the Members, if the Managing Member believes it has insufficient Opportunity Zone investment opportunities that may result in capital depreciation in excess of the tax benefits to the Investor Members.

Investors who invest after December 31, 2019 may not be able to get the full benefit of the Reduction in Taxable Gain. Any gain deferred under the Initial Gain Deferral will be included in the income of each investor no later than December 31, 2026; accordingly, the Reduction in Taxable Gain may no longer be available if the requisite hold period has not elapsed with respect to the particular Investment prior to December 31, 2026. As presently constructed, any Investor who makes a Capital Contribution after December 31, 2019 may not be able to benefit from the additional 5% of Reduction in Taxable Gain with respect to those amounts because the seven-year hold period would end after December 31, 2026. Further, any Investor who makes a Capital Contribution after December 31, 2021 might not have any Reduction in Capital Gain. While Congress has discussed extending this period beyond December 31, 2026, there is no assurance that it will do so. Additionally, there is no guarantee that any of the above tax incentives will continue to be available, particularly as the Opportunity Zone legislation is still new and potentially subject to change.

Projects might not be completed in a timely fashion. Used property acquired by the Company will only comply with the criteria of the Opportunity Zone incentive if it makes "additions to basis" within a 30-month period after acquisition that is greater than the basis in the property (other than land) at the start of the 30-month period. The proposed regulations include a safe harbor where if a property is newly constructed or rehabilitated by an indirect entity within a 31-month period in substantial compliance with a written plan, then cash awaiting use in the new construction or rehabilitation pursuant to a written plan would not be nonqualified financial property and the entity generally would still be considered engaged in an active trade or business during the construction or rehabilitation. While the proposed regulations include an extension due to certain delays related to getting government approvals, they do not include extensions of this 31-month for force majeure events, such as labor stoppages, weather events and acts of war or terrorism. Further, there may be other reasons why a developer ultimately would be unable to utilize cash in substantial compliance with the plan within the time frames dictated by the plan, which could jeopardize the Company's ability to meet the 90% Requirement. Conversely, these requirements may cause developers to rush completion of a project to use that cash, which could result in construction defects or other problems that could have an adverse impact on the success of the project itself.

The Death of an Investor Member and gifts by Investor Members may alter tax treatment. In the event that an investor in a QOF (such as the Company) dies before recognition of the deferred gain, the gain must be generally taken into account as income in respect of a decedent. The proposed regulations provide that death should not otherwise cause income to be included earlier than would otherwise be required. However, gifts ***are*** considered an inclusion event which could cause income to be recognized early. Investors should consult with their tax advisors regarding the tax impact of these events and any possible loss of benefits under the Opportunity Zone incentive.

Attempts to qualify with the Opportunity Zone incentive may cause the Managing Member to make decisions that will not maximize investment value or returns. Due to the requirement to comply with the Opportunity Zone criteria, the Managing Member may have to make investment decisions that may not maximize investment value or returns in a manner that would otherwise be possible if the Company did not have to comply with the Opportunity Zone criteria. Additionally, because there is a 10-Year Gain Exclusion period required to take full advantage of all of the

benefits of an investment in a QOF, it may not be advantageous to liquidate underperforming investments in order to reposition those funds into better performing investments.

An investment in the Company is illiquid due in part to the 10-Year Gain Exclusion. In order to take advantage of certain tax benefits regarding exclusion of future gain of investing in a QOF, each Investor Members, must hold his, her or its investment in the Company and the Company must maintain its status as a QOF for more than 10 years. This 10-Year Gain Exclusion requirement may require sales at inopportune times and may result in less than maximum return on a particular investment. Investor Members may disagree with the timing of liquidation of investments as it may result in tax consequences that they must report on their tax return, as well as their inability to take full advantage of an investment in a qualified Opportunity Zone.

Each Investor Member's 180-Day Requirement period will continue until a closing occurs, even if it has funded its Capital Commitment. The Company has no obligation to ensure an Investor's compliance with its respective 180-Day Requirement. After each Investor funds its Capital Commitment, the Investor's 180-Day Requirement period will continue to toll and will only be deemed invested in a QOF once the applicable closing has occurred. It is an Investor's responsibility to let the Company know when it believes its 180-Day Requirement period is going to end, and while the Company will endeavor to close before any such date of which the Company has been informed, it has no obligation to close on or before such date.

Company Considerations

We cannot ensure that the ultimate exit strategy of the Company will result in maximum benefits for Investor Members. The Company cannot guarantee that there will be a market for Investor Members to liquidate their investments at the end of the 10-Year Gain Exclusion. If Investor Members liquidate prior to the end of such 10-Year Gain Exclusion, they may not receive some or all of the tax benefits of investing in QOFs as described in this Memorandum. Similarly, one of the significant benefits associated with investing in QOFs, the ability to not pay tax on appreciation in the value of an Investor's interest if it is sold after a holding period of at least 10 years, would be lost if the Investor sold the interest before the 10-Year Gain Exclusion had elapsed. In the second tranche of proposed regulations, the IRS provided that it may be possible for a QOF to sell assets that it holds directly, with Investor Members who otherwise meet the requirements of the 10-Year Gain Exclusion making an election to eliminate the resulting gain that appears on the K-1 that they get from the QOF. At this time, it is not clear whether or how the IRS would apply this rule to a sale of assets by any partnership or corporation in which the Company invests, and which is intended to qualify as eligible under the Opportunity Zone rules (a "Subsidiary Entity"). While we anticipate there will be favorable options for exit, such as through an "UPREIT" where all assets are "sold" at once in a private or public offering to a portfolio buyer or existing REIT, there can be no assurance this would still be the case at the end of the 10-Year Gain Exclusion.

Due to the size and nature of the Company, we may be limited in the amount of diversification we can achieve. The potential diversification of our investments will be affected by the amount of funds raised in this Offering and the nature of the types of investments within Opportunity Zones and the holding period associated with qualified Opportunity Zone investments. The investment of a smaller sum of money in the Company will likely result in less diversification of our investments than the investment of a larger sum. Further, investments in Opportunity Zones are

generally limited to certain low-income census tracts or those contiguous with low-income census tracts, and investments in such areas may reduce the value of investment property or limit its appreciation. Additionally, because there is a 10-Year Gain Exclusion period required to take full advantage of all of the benefits of an investment in a QOF, it may not be advantageous to liquidate underperforming investments in order to reposition those funds into better performing investments. Finally, if the Company invests in disparate assets, it may be harder to find a purchaser for an Investor's interest, because some possible purchasers may prefer to only buy an interest in a partnership that owns a well-defined group of assets that are used in a particular industry or a particular location. To the extent diversification of our investments is limited, we will be more vulnerable to adverse developments in the financial and market conditions of a particular Opportunity Zone.

There can be no assurance that we will have sufficient working capital or cash flow to meet our fixed expenses or other ongoing needs. The Company's Operating Expenses (including certain compensation and fees to the Managing Member and its Affiliates) must be paid, regardless of profitability. (See "The Managing Member and the Adviser—Managing Member Compensation.") While we plan to directly or indirectly set aside proceeds of the Offering for up to 31 months to use as working capital, the Managing Member's estimates as to required working capital may not be accurate, or the ultimate amount of commitments made may not be enough to fund 31 months of working capital. Accordingly, it is possible that we may be required to borrow funds or liquidate a portion of our investments to pay our expenses or to meet unanticipated working capital needs. There can be no assurance that such funds will be available when they are required by the Company. A QOF must have a minimum of 90% of its assets invested in Qualified Opportunity Zone Business Property (See "U.S. Federal Income Tax Considerations—Qualifying the Company as a Qualified Opportunity Fund"). Failure to meet or maintain the 90% Requirement may result in a penalty payable by the Company which shall be taken into account proportionately as part of the distributive share of each Member. Furthermore, any partnership or corporation in which the Company invests, and which is intended to qualify as eligible under the Opportunity Zone rules cannot have more than 5% of its assets invested in "non-qualified financial property," such as cash. See "U.S. Federal Income Tax Considerations." The Company may not have sufficient working capital to make such penalty payments at the time they become due or are accrued.

The Advisory Committee will not represent all Investor Members. Certain transactions that involve conflicts of interest between the Managing Member or a Key Person, on the one hand, and the Company, on the other hand, may be submitted to the Advisory Committee for resolution. Furthermore, the Advisory Committee will have the ability to approve or advise on numerous other matters. However, the Advisory Committee will not represent the interests of all the Investor Members, each member of the Advisory Committee may act in the interest of the Investor Member with which it is associated, and the members of the Advisory Committee may themselves be subject to various conflicts of interest. In general, the Investor Members will not be entitled to control the selection of members of the Advisory Committee or to review the actions or deliberations of the Investor Members.

The Company is reliant on the Key Persons. The success of the Company depends in substantial part on the skill and expertise of the Key Persons and other employees of the Adviser and its affiliates. There can be no assurance that the Key Persons or other investment professionals and

employees of the Adviser and its affiliates will continue to be employed by the Adviser throughout the life of the Company. The loss of key personnel could have a material adverse effect on the Company.

Investor Members will have no right to control the Company's operations. Investor Members will have no opportunity to control the day-to-day operations of the Company, including investment and disposition decisions. In order to safeguard their limited liability for the liabilities and obligations of the Company, Investor Members must rely entirely on the Managing Member and the Adviser to conduct and manage, respectively, the affairs of the Company.

The Company may not be able to make distributions before the end of the term of the Company. A number of circumstances, including the state of the general economy, the state of the housing market, tax laws, regulations, competition, decreases in value of a particular investment, casualty and geographic factors may make it difficult or impossible for the Company to dispose of certain investments, even before the end of the term. Further, the Managing Member may believe that the value of a property is going to soon appreciate and has an incentive to hold that property so that it gets higher carried interest. The Investor Members may also elect to extend the term of the Company. In any of these situations, Investor Members may not receive returns within the expected time periods, and parts of the investment in the Company may last many years longer than expectations.

The Company may not have sufficient cash flow to make distributions, including tax distributions, until the expiration of the initial term of the Company. Investor Members who opt to timely invest in the Company gains from the sale or exchange of property to an unrelated party in order to defer the capital gains will be required to pay tax on such deferred gains as of December 31, 2026. The Company may not have sufficient cash flow to make a distribution at that time or the Managing Member may decide not to make such a distribution. Furthermore, due to the nature of the Opportunity Zone incentive it is unlikely that the Company will distribute proceeds from the disposition of any Investment Property prior to the expiration of the 10-Year Gain Exclusion period. If Investment Properties have a fair market value below the amount initially invested, the Company will need appraisals to confirm fair market value and the Managing Member may not obtain such appraisals. Tax will be due by Members regardless and failure to pay such taxes may result in interest and penalties due to the IRS.

The Company may distribute Available Cash to Investor Members in excess of the Investor's basis prior to December 31, 2026, which will be considered an "Inclusion Event" and may accelerate a corresponding portion of the Investor's deferred capital gain. The Managing Member may, in its sole discretion, periodically distribute Available Cash to the Company's Members as Member Distributions (as defined below). To the extent an Investor makes any income from the Member Distribution, the income will be taxable, and at capital gains rates, to the extent that the income exceeds an Investor's basis in its interest. A distribution in excess of basis made prior to December 31, 2026 will be considered an "Inclusion Event," and accelerate a corresponding portion of the Investor's deferred capital gain.

The Managing Member has experience investing in low-income areas but not with the new Opportunity Zones. The Managing Member has significant experience in real estate investing and investing in low-income areas, which are one of the targets of the new Opportunity Zones program.

That said, as the Opportunity Zones incentive is newly created, the Managing Member has no experience investing specifically within the rules of this incentive.

The Company is reliant upon Investors to make appropriate timely investments and elections in order to take advantage of the benefits of a QOF. In order for investors to receive the benefits of investing in the Company, the Investor-taxpayers must make timely investments in the Company and timely elections. Furthermore, any gain deferred by investing in the Company must have been generated from a sale to an unrelated party, generally within 180 days of investment in the Company to satisfy the 180-Day Requirement. It should be noted that technical rules apply to determining the start of the 180-Day Requirement, depending on the kind of property giving rise to the gain, and whether the gain arose inside a pass-through entity, such as a partnership. The Company has no control over these circumstances.

The Company's investments may be subject to contingent liabilities. These liabilities may be material and may include liabilities associated with pending litigation, regulatory investigations or environmental actions, among other things, and could relate to the Investment Properties' activities prior to the Company's involvement. To the extent these liabilities are realized, they may materially adversely affect the value of the investment. In addition, if the Company has assumed or guaranteed these liabilities, the obligation would be payable from the assets of the Company. If material liabilities are identified in acquired investments after an acquisition and contractual claims against the seller are unsuccessful, the Company's business, results of operations or financial condition could be materially adversely affected.

There may be recourse to the Company's assets. The Company's assets, including any investments made by the Company, are available to satisfy all liabilities and other obligations of the Company. If the Company becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Company's assets generally and will not be limited to any particular assets, such as the asset representing the investment giving rise to the liability. Accordingly, Investor Members could find their interest in the Company's assets adversely affected by a liability arising out of an investment of the Company.

The Company may incur leverage. While we anticipate that most leverage would be at the Investment Property level, the Company may incur leverage, which may be collateralized by its assets, and may guarantee indebtedness of the Investment Properties. To the extent the Company becomes unable to borrow, or loses a line of credit, such inability to borrow could adversely impact the Company's operations to the extent the Company needs to access borrowed funds. There can be no assurance that the Company will have sufficient cash flow to meet its debt service obligations. As a result, the Company's exposure to losses may be increased due to the illiquidity of its investments generally.

The Company will be exposed to interest rate risk. The Company will be making investments that are highly leveraged, often with loans that have floating interest rates. As a result, changes in interest rates may have an adverse effect on the value, price or income of the Company's investments. While the Company is permitted to hedge the Company's exposure to interest rate risk, it is under no obligation whatsoever to engage in such hedging arrangements, and it is likely that many of these hedging arrangements will be at the Investment Property level. Moreover, if the Company (as opposed to intervening holding companies or other special purpose vehicles)

holds certain hedging instruments, it is possible that the Company may be required to post greater collateral, reducing the assets of the Company available for investment, or may expose the Company to additional regulatory regimes.

Alternative Investment Vehicles. The Managing Member will have the right to form one or more AIVs if, in the judgment of the Managing Member, it is necessary or desirable, for legal, regulatory, tax, business, accounting or other considerations, to use such AIV to make or hold any particular investment. In connection with any AIV, the Managing Member will have the right to direct the investments of some or all Investor Members to be made through the AIV. Each AIV will contain terms and conditions substantially similar to those of the Company. However, Investor Members investing through such AIVs may participate in some, but not all, of the Company's investments and, to the extent Managing Member is simultaneously representing the interests of Investor Members in the Company and investors in AIVs, certain conflicts of interest may exist which may benefit or adversely affect some Investors. The Managing Member will use reasonable efforts to structure any such AIV incentive to either be consistent with the Opportunity Zone incentive, or so as to not impair any other investments made by the Company and its status as a Qualified Opportunity Fund.

The Company may have parallel funds. In certain circumstances, such as where an investor needs to invest in a QOF before the Company can hold its next closing or for other regulatory or tax reasons, the Managing Member may manage funds that invest with the Company on a parallel pro rata basis. Because these parallel funds are intended to comprise part of the overall Company structure, the Managing Member may make decisions that benefit the Company structure on the whole more than just the parallel fund itself. Furthermore, there can be no assurance that parallel funds will have the same financial terms as the Company.

Considerations Relating to the Membership Interests and the Offering

A Membership Interest is not a bank deposit and is not insured or guaranteed by the FDIC or any other government agency. Our business is speculative, and consequently there can be no assurance that we will satisfy any of our business goals. An investment in the Membership Interests involves a high degree of risk, and no assurance can be given that our cash flow, profits, and capital will be sufficient to make current or liquidating distributions as planned. Investors may not realize any return on their investment, and could lose their entire investment altogether.

The Membership Interests will be restricted securities, which have not been registered under federal or state securities laws and will not be freely transferable. This Offering is made pursuant to exemptions from the registration requirements of federal securities laws. In addition, the Offering will not be registered in any state in reliance on exemptions from registration for private offerings under state securities laws. To satisfy the requirements of certain exemptions from registration, each Investor must acquire his, her or its Membership Interests for investment purposes only and not with a view towards distribution. Consequently, certain conditions of the Securities Act may need to be satisfied prior to any sale, transfer or other disposition of the Membership Interests. We will serve as our own transfer agent and registrar and the Managing Member can prohibit any direct or indirect sale, transfer or disposition in its sole discretion.

There is no public trading market for the Membership Interests and none is anticipated to develop. The Membership Interests have no marketability. The Membership Interests may not be readily accepted as collateral for a loan and the Managing Member may prohibit an Investor Member from pledging the Membership Interests. Consequently, Investor Members may not be able to resell or liquidate their Membership Interests in the event of financial emergency. The Membership Interests should, therefore, be considered only as a long-term investment.

Returns are not guaranteed and the Company may not receive sufficient cash to make Distributions. The Priority Returns are neither a fixed return on investment, nor are they a guaranty of a certain return on Members' Capital Contributions. Members will have priority with respect to certain distributions as described in the Operating Agreement. Members will also have liquidation preference consistent with the provisions of the Operating Agreement. The Company will use the proceeds of the Offering to invest in residential real property interests, pay the Adviser its annual Management Fee for managing the Company, pay brokerage fees to the Selling Group and other transaction-related expenses, if any. Thereafter, the Company will use the proceeds generated from operations to fund additional investments, pay the accrued management and other fees, if any, and, in the Managing Member's discretion, make Member Distributions. Although the Company believes it will eventually be able to make distributions to its Members, it cannot provide any assurance that it will receive sufficient proceeds to be able to make any such distributions, in whole or in part, to pay the Priority Returns, or to repay the Unreturned Capital Contributions of the Members.

The Managing Member may distribute additional amounts to Members to cover tax obligations if there is Available Cash for such distributions and such distributions do not affect the Company's qualifications under Section 1400Z-2 of the Code, where tax on such deemed income exceeds a Member's total Member Distributions. Due to the nature of the Company and the holding period on investments, it may not be possible for the Company to make distributions at that time. Investors will be responsible for their own tax obligations whether or not such distributions are made by the Company.

A defaulting Investor Member may be subject to significant adverse consequences, including forfeiture of all or a portion of such Investor Member's investment. The Operating Agreement provides for significant adverse consequences in the event an investor fails to comply with a drawdown notice or other payment obligation. A defaulting investor may be subject to various default remedies, including without limitation the loss of future distributions from the Company, a loss of voting rights and a reduction in the Capital Account and percentage interests of such defaulting Investor Member of up to 300% of the defaulted amount. A default by any one Investor Member will not relieve any other Investor Member from its obligation to fund its Capital Contribution, and the Managing Member may increase the amount of a capital call by its pro rata portion of the defaulted amount. The Managing Member may seek additional Capital Contributions from the other Investor Members in order to cover any defaulted amounts, although the Capital Commitment of an Investor Member shall not be increased. The Managing Member may also borrow to cover shortfalls in Capital Contributions, the costs of which will be allocated to the defaulting Investor Member.

Prospective investors should also note that any default by an investor in advancing capital to the Company could have an adverse impact upon the Company's ability to complete a transaction

and may increase the relative exposure of non-defaulting investors to such transactions. Such defaults may also cause the Company to breach its own obligations or lead to the loss of an investment opportunity, either of which consequence could have a material adverse effect on the Company's performance.

The Company has discretionary authority over the use of proceeds. The Company plans to use the net proceeds from this Offering for the purposes set forth under "Our Business—Business Plan of the Company". However, the Company reserves the right to use the funds obtained from this Offering, subject to the 90% Requirement for investing in Qualified Opportunity Zone Business Property for other similar purposes not presently contemplated which it deems to be in its best interests in order to address changed circumstances or opportunities. As a result of the foregoing, the Company will have discretion with respect to the use of the proceeds of this Offering and may apply the proceeds in ways with which you do not agree. We currently expect to pay the compensation due to the Managing Member through income from the Company's operations. However, if events do not develop as we and the Company currently anticipate, we may use the proceeds from this Offering to compensate the Managing Member or to hold as a working capital reserve, in any case, subject to the 90% Requirement for investing in Qualified Opportunity Zone Business Property. Working capital may also be held in Subsidiary Entities, subject to the rules that apply to these entities. Investors must depend upon the Managing Member's judgment as to the use of proceeds. If we fail to apply these funds effectively, our business, results of operations and financial condition may be materially and adversely affected. Investors will not participate in these decisions and must evaluate the consequent risk.

Modifications. The Company may enter into letter agreements with one or more investors, without further act, approval or consent of any other person (including any other Investor), which modify the terms applicable so that the Investor may have more favorable terms than other Investor Members. Modified terms may include different notice periods, variations on fees and expenses, waivers of confidentiality obligations, additional representations and warranties, structural restrictions, and other rights or terms specific to the legal, regulatory or other characteristics of such Investor. Any rights or terms so established in such an agreement with an Investor will govern solely with respect to such Investor and may provide such Investor with preferential, or a right to obtain preferential, treatment compared to that provided to other Investor Members, which may result in a disadvantage to certain or all of the other Investor Members. The terms of any such modification of terms will not be disclosed to other Investor Members or third-parties unless and to the extent the Managing Member determines otherwise in its sole discretion.

Affiliates will purchase Membership Interests. Membership Interests will be purchased by our Affiliates, if such purchases are for their own account and not for resale. Accordingly, Investor Members should understand and recognize that not all subscribers will necessarily have made an independent investment decision with no affiliation to the Company or the Managing Member.

There may be co-investors in Investment Properties. The Company may invest alongside strategic, financial or other third party co-investors, and may offer one or more co-investment opportunities to one or more of the Investor Members in the sole discretion of the Managing Member. The interests of these co-investors may also be separately managed by the Managing Member. However, the Managing Member shall have no obligation to offer any such co-investment opportunities to the Investor Members (whether or not the Managing Member has

acknowledged an Investor Member's interest in co-investment opportunities). The Company's ability to achieve certain co-investment objectives assumes that the Company will be able to negotiate and execute mutually acceptable terms and conditions in respect thereof. Such investments will involve additional risks that may not be present in investments that do not involve a co-investor, including the possibility that a co-investor may at any time have economic or business interests or goals that are not consistent with those of the Company, may be in a position to take action contrary to the Company's investment objectives or may default on its obligations. While the Company intends to mitigate these risks contractually, there can be no assurance that it will be successful in doing so. In addition, under certain circumstances the Company may be liable for actions of its co-investors. To reduce the possibility of liability, the Company will seek to hold its assets through limited liability entities. The performance of co-investments will not be aggregated with that of the Company for purposes of determining the Managing Member's carried interest under the Operating Agreement. Past performance is not necessarily indicative of future results and the actual number of co-investment opportunities made available to Investor Members may be significantly higher or lower than those made available in connection with Other Managed Entities. Fees and expenses incurred in respect of any investment (and any transaction or other fee income earned in respect of any investment) will generally be allocated among the Company and any co-investors on the basis of capital committed by each to the relevant investment; provided that the Managing Member shall in its sole discretion be authorized to structure any co-investment opportunity such that the co-investors do not bear any expenses in connection with unconsummated investments. In such cases, the Company shall bear all such broken deal expenses (and in such case shall be entitled to any such break-up fees or other similar fees).

We may not be fully subscribed. There is no assurance as to the amount of capital that will be contributed to the Company. If aggregate Capital Commitments are less than target Capital Commitments, the Company may invest less than initially expected in each investment and may have fewer investments. Accordingly, the Company's portfolio may be more concentrated than expected.

The Company's term of existence is long. The term of the Company will end on the date that is 10 years from the date of the Final Closing, subject to extension, (a) by the Managing Member upon notice to the Investor Member for up to two additional one-year periods following such date, (b) automatically, for such period required by any covenant or restriction contained in loan agreements or other obligations to which the Company or the Investment Properties are subject, (c) by the Advisory Committee or Investor Member Approval, or (d) in the Managing Member's sole discretion, the final QOZ Rules would require a longer term for Investor Members to receive the contemplated tax benefits of a Qualified Opportunity Zone investment. The Company may, in the discretion of the Managing Member, terminate earlier than the full term upon certain events described in the Operating Agreement. Accordingly, investors may not realize returns on their investment in the Company for an extended period of time.

We may be subject to cyber-attacks. Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Cyber-attacks and breaches of cybersecurity may lead to disruption of the operations of the Managing Member and the Company, and to loss of data and possible regulatory sanction. In particular, if unauthorized parties gain access to the Managing Member's information and technology systems (or those of its associates and any service providers engaged for, by or on

behalf of the Managing Member, its affiliates or the Company), they may be able to steal, publish, delete or modify private and sensitive information. In addition, prospective investors should be aware that the Managing Member may communicate with prospective or existing investors via password-protected websites, email, phone or other electronic means. Prospective investors are warned that the confidentiality, security and integrity of electronic communications cannot be guaranteed. In particular, the Managing Member is aware, and warns all prospective investors, that criminals have been known to impersonate managers of funds such as the Company and issue falsified drawdown notices, requesting payment from investors to the criminals' (as opposed to the relevant fund's) bank accounts. Company investors should therefore always check the bank account and other payment details contained in drawdown notices received by them in connection with the Company, and should notify the Managing Member immediately if they believe they have received any suspicious or falsified drawdown notices.

The Managing Member and its Affiliates apply technology in order to help manage the communities underlying Investment Properties. If there is a breach of our accounting and operational data systems, then we may be unable to effectively utilize the data contained therein to evaluate performance of the Investment Properties. Furthermore, third-party management companies will be integrated into these systems, and thus we may be adversely affected if there is a breach of those management companies' systems. Our external leasing professionals also utilize an electronic intake system which, if breached, could result in the release of personally identifiable information about the residents at our Investment Properties, which could have a material and adverse effect on the Company and the market's perception of the Managing Member and its Affiliates.

Investors may be required to dispose of their Membership Interests at times that are not ideal. The Operating Agreement will provide that the Managing Member can require a sale of all of the Membership Interests or, if permitted under final qualified Opportunity Zone rules, a redemption of Membership Interests, in each case on the terms set out in the Operating Agreement. This may result in an Investor having to dispose of its Membership Interests at a time when such Investor does not wish to exit its investment in the Company or at a time which could result in the Investor realizing a loss on its investment in the Company.

Investments may be structured in a way that isn't favorable to all Investors. Neither the Managing Member nor the Adviser is required to consider the tax position of any specific investor or group of investors, as distinguished from the tax position of Investors generally, in structuring any investment. The Managing Member and Adviser retain sole discretion to implement different transaction structures, including investing through one or more vehicles, as it deems appropriate for the Company's investments. In considering such structures the Adviser may be faced with a number of competing or constraining tax, legal and commercial issues, including the application of base erosion and profit shifting, other prospective changes in tax laws or their interpretation, the costs involved in the establishment or on-going operation of potential vehicles, limitations on the choice of vehicles that would be permissible as a result of having certain types of Investor Members and receiving different or conflicting advice from professional advisers. While the Adviser will seek to use appropriate investment structures in light of applicable tax, legal and commercial considerations, there can be no certainty that using particular structures and techniques will result in a greater level of return or that one or more Investor Members may not be disadvantaged (perhaps materially) by a particular decision or strategy of the Adviser.

Considerations Relating to the Managing Member and Its Affiliates

We have no operating history. We were recently formed and have no operating history upon which prospective investors may evaluate our prospects or performance. We can provide no assurances that our operations will ever be profitable. Our prospects must be considered in light of the risks, uncertainties, expenses, and difficulties frequently encountered by companies in their early stages of development. There can be no assurance that we will be successful in accomplishing any of our goals, and the failure to do so could have a material adverse effect on our business, results of operations, and financial condition. The Managing Member is also newly formed and its principals have not managed a partnership with this specific strategy previously and may not be familiar with all that is required to successfully manage the Company. Further, prospective investors will not have relevant historical performance information on which to base their investment decisions. In any event, past results are not necessarily indicative of future performance.

SEC Investigations. There can be no assurance that the Managing Member or any of its affiliates will avoid regulatory examination or possible SEC enforcement actions in the future. Recent SEC enforcement actions and settlements involving advisers to private investment funds have involved a number of issues, including, among others, the insufficient disclosure of allocation of the fees, costs and expenses related to unconsummated co-investment transactions; undisclosed arrangements with service providers affording the adviser with greater discounts than those afforded to its advised funds; violations of pay-to-play rules; failure to maintain appropriate custody over assets; and failure to maintain records in accordance with the Advisers Act's recordkeeping requirements. If the SEC or any other governmental authority, regulatory agency, or similar body objects to past or future practices of the Managing Member or its affiliates, then such persons may be at risk for regulatory sanction, which could lead to adverse publicity and reputational risk pertaining to the Company. Any such investigations could be costly, distracting, time consuming for the Managing Member and its affiliates.

The Adviser does not have experience as a registered investment adviser. While affiliates of the Adviser have advised tax credit funds for many years, this may be the first fund with respect to which the Managing Member or any of its affiliates is advising with respect to securities. Accordingly, neither the Managing Member nor its staff has experience with the registered investment adviser regulatory environment. No affiliate of the Managing Member has hired an additional person with Advisers Act expertise to serve as a compliance officer with respect to investment advisory matters. Further, the SEC has expressed that it places priority on examining investment advisers that have never previously been examined by the SEC. While we will endeavor to abide by the substantive provisions of the Advisers Act, our relative inexperience may make the Managing Member more prone to investigation or enforcement actions.

We rely heavily on the Managing Member. To a large extent, our success will depend on the quality of management provided by the Managing Member and its Affiliates. Investor Members will not have a right to participate in our management or operations. The Managing Member will have sole discretion and authority to manage our affairs. The Managing Member and its principals may engage in other business activities, investments, or ventures, independently or with others, and are not obligated to devote more than a portion of their time to our affairs. If the Managing Member's services become unavailable for any reason, it may be difficult or impossible for us to

find a suitable replacement. The net worth of the Managing Member may be relevant in evaluating the ability of the Managing Member to fulfill its obligations and responsibilities. (See "The Managing Member and the Adviser.")

Members must rely on the Managing Member's decisions with regard to evaluation and management of properties in the investment portfolio. Except as otherwise set forth in the Operating Agreement, the Managing Member will have the sole right to make all decisions with respect to the management of the Company and the investments of the Company. The Investor Members will have no opportunity to evaluate the specific properties that will be purchased or invested in with, or other uses of the proceeds of the Offering, and will have no rights to participate in the management of such properties after they are acquired by the Company. You should not invest in the Company unless are willing to entrust all aspects of the management of the Company and the investment properties to the Managing Member.

The Managing Member has the sole discretion to borrow funds, if needed. Per the Operating Agreement, the Managing Member has sole discretion to permit the Company to borrow funds and grant security interests in the Company's assets. Such borrowings and grants would generally be entered for the primary purposes of: (i) paying operating expenses, taxes, or other obligations the Company is permitted to pay per its Operating Agreement; or (ii) paying Investor Members' Priority Returns and to repay all or any portion of the Members' Unreturned Capital Contributions. Such borrowings can be made without the consent of the Investor Members and would likely have a superior liquidation preference to those of the Investor Members. In the event the Company borrows funds, the Company may become subject to restrictive covenants on its on-going activities. Borrowed funds could negatively impact the Company or its Members if any proceeds thereof are advanced to poorly performing properties, or if the Company fails to remain in compliance with, or otherwise is in default of, a loan agreement resulting in penalties or other adverse actions that could reduce Member Distributions. Further, the Company does not know whether additional debt or equity financing will be available if needed, or on terms favorable to the Company, particularly if adverse economic conditions arise restricting the availability of credit, and other sources of capital. Finally, recent adopted provisions of the Internal Revenue Code can limit the deduction of interest expense for federal income tax purposes.

The Managing Member's liability is limited under the Operating Agreement. Under various state and federal laws, the Managing Member is accountable to our Members as a fiduciary and is required to exercise good faith in handling our business. However, the Operating Agreement provides that the Managing Member shall not be liable to our Members for any loss or liability incurred in connection with our affairs, so long as such loss or liability did not result from willful misfeasance, bad faith, or gross negligence, disregard of duty, or comparable causes. Therefore, an Investor Member may have a more limited right of action against the Managing Member or its Affiliates due to these provisions in the Operating Agreement.

The Managing Member has no obligation to confirm that your full investment consists of qualifying invested capital gains. In order to get the tax benefit for the full amount of an Opportunity Zone fund investment, that investment must come from capital gains from the sale to, or exchange with, an unrelated person (as defined in Section 1400Z-2(e)(2) of the Code) of any property held by the investor, provided an amount equal to such gain is invested in an Opportunity Zone fund within a 180-Day Requirement period. While that period generally commences on the

date the property was sold or exchanged, the period may begin at other times depending on the kind of property sold and whether the gain was recognized by a pass-through entity, such as a partnership. The Managing Member will have no responsibility to ensure that any or all of your investment is being made from these capital gains within the appropriate time periods, and the Investor Members themselves will be required to track the amount of their own tax benefits. If you have a tax audit resulting in a decrease in your anticipated amount of such capital gains, or if you do not timely reinvest those capital gains into the Company, then you may not receive as much tax benefit as is anticipated, if at all.

The Managing Member is permitted to and, in certain circumstances, is likely to reinvest proceeds from sales. The Managing Member may cause the Company to reinvest proceeds from the sale of underlying properties, particularly if reinvesting those monies in an opportunity zone will present a tax benefit for Investor Members. For example, the IRS has provided guidance that assures many of the continued favorable Opportunity Zone benefits described herein if the proceeds of a disposition are reinvested in other eligible investments within 12 months. Accordingly, to the extent any retained amounts are reinvested, an Investor Member will remain subject to the investment and other risks associated with these new investments, even where the original investment was profitable. Further, delays in realizing investments or receiving distributions may limit the ability for reinvestment, which could affect our profits.

The Managing Member, its members, and Affiliates, have various conflicts of interest in their dealings with the Company. The Managing Member, its members and Affiliates have various conflicts of interest in their dealings with the Company. In addition to the distributions the Managing Member is entitled to under the Operating Agreement, the Adviser will also be entitled to a Management Fee for managing the Company. None of these arrangements were the result of arm's-length negotiations involving independent representatives of the Company.

Further, the Managing Member is currently engaged with other projects, and is not precluded from becoming involved in other businesses or ventures, that may or may not compete or be in conflict with the Company. A conflict of interest could arise with respect to the Managing Member's fiduciary duty owed to the Company and any company sponsored or managed by the Managing Member with respect to opportunities presented for investment and the availability of eligible investment opportunities. Generally, given the Managing Member's fiduciary duties to the Company, the Managing Member is restricted from taking for itself, or for its Affiliates, a business opportunity that can benefit the Company. However, this restriction is expressly waived by the Managing Member and each Investor Member in the Operating Agreement. In addition, the Company may co-invest in projects with other companies and parties with which the Managing Member has extensive contacts that are engaged in the business similar to that of the Company. Such situations, among others, may give rise to conflicts of interest in which the interests of the Managing Member and such other parties may conflict with those of the Company. There is no assurance that the Company or its Investor Members will not be adversely affected by these or any other conflicts. (See "Conflicts of Interest.")

The Managing Member and the Adviser are not required to devote their full time and attention to the business of the Company. The Managing Member and the Adviser are not required to devote their full time and attention to the Company's affairs, but only such time as the Managing Member or Adviser determine, in the exercise of their reasonable judgment, to be necessary for

the effective conduct of the Company's business. Further, members of the Managing Member and the Adviser may engage, and are currently engaging for their own account and for the account of others, in other business ventures, and may hereafter engage in the formation of other ventures similar to the Company, some of which are already in the planning stage. The Managing Member and the Adviser also may serve in the future as Managing Member and Adviser for other limited partnerships, general partners for other limited partnerships or joint ventures that are affiliated or unaffiliated with the Company. Such other ventures may compete with the Company for the time of the Managing Member and the Adviser, and each of their respective members and Managing Members. The Managing Member and the Adviser, and their respective members and Managing Members will endeavor to allocate time and management attention equitably between the Company and all of their other ventures, and will determine the allocation of time on an as-needed basis, in their discretion and based on their judgment. However, such allocations of time could be insufficient, and, as a consequence, may adversely affect the Company's results of operations. (See "Conflicts of Interest.")

No independent counsel has been retained to represent the interests of the Investor Members. The Operating Agreement has not been reviewed by any attorney on behalf of the Investor Members. Investors are, therefore, urged to consult with their own counsel as to the terms and provisions of this Memorandum, the Operating Agreement, and all other documents relating thereto. Such documents are available to prospective investors, to the extent not already provided, upon written request to the Managing Member.

There are regulatory risks. The Managing Member and the Company are subject to numerous regulations, which may present risks for investors. (See "Securities Laws and Regulations.")

Volcker Rule and Public Welfare Exemption. The "Volcker Rule" limits the ability of many banks and other regulated financial institutions to make investments for their own account in "covered funds." Financial institutions that otherwise could not invest in covered funds may still be permitted to make "investments designed primarily to promote the public welfare," including investments that promote the welfare of low- and moderate-income communities or families. The Company may be a covered fund for purposes of the Volcker Rule and while we anticipate that an investment in the Company would qualify for this public welfare exemption, there is no formal guidance that QOF investments qualify for this treatment, and there can be no assurance that an investment in the Company actually would qualify for the public welfare exemption from the Volcker Rule. Prospective investors subject to the Volcker Rule should consult their own counsel to determine whether an investment in the Company would be permitted.

CONFLICTS OF INTEREST

The Company will be subject to various conflicts of interest arising out of its relationship to the Managing Member and its affiliates, including those relating to the management of the Company. Agreement and arrangements, including those relating to compensation, between the Company and the Managing Member and its affiliates are not and will not be the result of arm's-length negotiations. The following considerations, which do not purport to be a complete description of any of the individual conflicts referred to or a complete list of all conflicts involved in an investment in the Company, should be carefully evaluated before determining whether to invest in the Company.

Allocation of Time and Resources

Each Property Entity will rely on its general partner, managing member or similar manager (each, a "Lower Tier General Partner") for its operation and management. While the Lower Tier General Partners intend to devote as much of their time to the business of their respective Property Entities as in their judgment is reasonably required, each Lower Tier General Partner could have conflicts of interest in allocating management time, services and functions between the Property Entities and other partnerships or business ventures in which such Lower Tier General Partner is involved now or in which such Lower Tier General Partner may become involved in the future, which may include other QOFs. Other business ventures in which the Lower Tier General Partners are involved, particularly where they serve as general partners of other limited partnerships or managing members of other limited liability companies, could result in direct or contingent liabilities which could adversely affect their economic ability to meet their financial responsibilities to the Company or the Property Entities. However, the Managing Member believes that it and the Lower Tier General Partners will have sufficient resources to fully discharge their anticipated responsibilities to their respective partnerships. It is also anticipated that certain of the Lower Tier General Partners will be affiliates of the Managing Member, which may create additional conflicts of interest.

Development Fees

A Property Entity may pay the developer of the Investment Property (the "Developer") a fee for its services in developing the project (the "Development Fee"). The Developer may be a third party or it may be an affiliate of the Managing Member. If the Developer is a third party, the amount of the Development Fee will be the result of an arm's-length negotiation between the Company and the Developer and is anticipated to be 5% or greater of the total development costs for such Investment Property. If the Developer is an affiliate of the Managing Member, then the Development Fee will be limited to 5% or less of the total development costs for such Investment Property without any additional consent of the Investor Members, and this conflict of interest will be explicitly waived by the Investor Members in the Operating Agreement. It is possible that an unaffiliated Developer may pay a portion of its fee to an Affiliate of the Managing Member as compensation for other services. The ability for our Affiliates to receive development fees may cause us to prioritize hiring our Affiliates as developers rather than hiring unaffiliated third-party developers. Furthermore, since the Company will only be participating as an investor in any Investment Property developed by the Developer, any developer fees paid to Managing Member Affiliates will not be offset against Management Fees or carried interest at the Company-level and,

accordingly, these fees may be retained by Affiliates of the Managing Member without any pecuniary benefit to the Investor Members.

Project Fees

The Lower Tier General Partner will receive a share of the economic benefits flowing to the Property Entity, which may be a third party or it may be an Affiliate of the Managing Member. If the Lower Tier General Partner is a third party, then the split of the economics attributable to the Lower Tier General Partner and the Company will be the result of an arm's-length negotiation. If the Lower Tier General Partner is an Affiliate of the Managing Member, then the Lower Tier General Partner's share of available cash (including, without limitation available cash from operations or capital transactions) will not exceed 33%, and the Lower Tier General Partner's share of funds from capital transactions will not exceed 33%. Any project fees paid to Managing Member Affiliates will not be offset against Management Fees or carried interest at the Company-level and, accordingly, these fees may be retained by Affiliates of the Managing Member without any pecuniary benefit to the Investor Members.

Fees to Property Manager

A Property Entity may hire a Property Manager to perform day-to-day on site property management services, such as showing apartments to prospective tenants, ensuring routine maintenance occurs, and other similar services. The Property Entity may pay the Property Manager a property management fee that generally would be between 1% and 5% of effective gross rents annually for its services in leasing and managing the Investment Property. While unlikely, a portion of this fee may be paid to Managing Member Affiliates as compensation for assistance with property management services. Any such fee that, in the reasonable discretion of the Managing Member, is at or below then-prevailing market rates for similar services as of at the time the agreement pursuant to which the applicable property management fee is entered into may be paid to Managing Member Affiliates without offset of Management Fees or other fees and without any additional consent of the Investor Members, and this conflict of interest will be explicitly waived by the Investor Members in the Operating Agreement.

Performance Allocations

The fact that the Managing Member's carried interest is based on the performance of the Company may create an incentive for the Managing Member to cause the Company to make investments that are more speculative than would be the case in the absence of performance-based compensation. However, this incentive may be tempered somewhat by the fact that losses will reduce the Company's performance and thus the Managing Member's carried interest. In addition, the method of calculating the carried interest may result in conflicts of interest between the Managing Member, on the one hand, and the investors, on the other hand, with respect to the management and disposition of investments, including the timing and sequence of such dispositions. Further, the manner in which management fees are charged may create an incentive for the Adviser to favor holding investments for long periods of time in order to increase the amount of management fee it is entitled to receive.

Calculations of Asset FMV

While the Managing Member has the obligation to perform appraisals of Investment Properties no less than every four years, it has the ability to do so more frequently, including in connection with a reinvestment, refinancing, equity or debt financing, reorganization, sale process or other actual or proposed Capital Event. The Managing Member may cause these appraisals to be performed at times when the valuations are relatively high, or when the Managing Member perceives property values to be at or near the height of the market, or may elect not to perform appraisals less than four years after the most recent appraisal of an Investment Property if property values are low. This in turn could cause Management Fees to increase since, after Stabilization, the amount of Management Fees is based on Asset FMV, which in turn is based on these appraisals.

Sales/Re-financings of Property Entities or Investment Properties

In making a decision as to whether or not to sell the Company's interest in a Property Entity or as to whether or not the Company should consent to the sale or refinancing of an Investment Property by a Property Entity, the Managing Member may also be subject to conflicts of interest. Such decisions will be made by the Managing Member without consulting the Investor Members. The Managing Member will receive certain fees and distributions from such a sale or refinancing and other fees and distributions from operations. Under certain circumstances, it may be in the economic interest of the Managing Member for a Property Entity to sell or refinance an Investment Property or interest therein or to retain such Investment Property or interest therein while the same may not be in the economic interest of the Investor Members. Accordingly, in making any such decision, the interests of the Managing Member may not necessarily be the same as those of the Investor Members. Similarly, in determining whether to enter into a sale or refinancing of an Investment Property, the interests of the Lower Tier General Partners in maximizing their compensation may conflict with the best interests of the Company and the Investor Members.

Other Conflicts of Lower Tier General Partners

Conflicts of interest could arise if the builder or the architect of an Investment Property is affiliated with the Lower Tier General Partner. Certain governmental agencies and many private lenders require that an independent architect review the work of an affiliated builder or design architect. In many cases, it is expected that an Investment Property's Property Manager will be an Affiliate of the respective Lower Tier General Partner. Such a situation results in a continuing conflict of interest, as there is no regular independent review of the performance of the Investment Property, other than such review as may be made by the governmental agencies or lenders involved. The Managing Member will include in each Property Entity Agreement provisions permitting the Company to remove the Lower Tier General Partner and appoint a new Lower Tier General Partner in the event of significant defaults of the Property Entity Agreement or material problems with the Property Entity or Investment Property.

Affiliated Property Entities

The Company may acquire Investment Properties from Affiliates. An affiliated Lower Tier General Partner would have an interest in the profits, losses, cash flows and sale or refinancing proceeds of such an Investment Property. Although the Property Entity Agreement applicable to

such Affiliated Property Entity would be subject to the limitations described in this Memorandum and in the Company Agreement concerning the manner in which investments may be made and the terms of such investments, any such investment in an Affiliated Property Entity would not be the result of arm's-length negotiation. Conflicts will also arise if an Affiliated Property Entity acquired its interest in the Investment Property from the Managing Member or its Affiliates, and there is a substantial likelihood that such acquisitions will be made. In addition, the interests of such an affiliated Lower Tier General Partner may also conflict with the interests of the Company during the acquisition, operation or liquidation phases of such a Property Entity. Furthermore, the Company may dispose of Investment Properties or Property Entities to Affiliates of or other funds managed by the Managing Member. This may create conflicts, as it is unlikely that such a transaction would be on arms'-length terms, and it may incentivize the Managing Member to make such a disposition rather than performing a more robust search for potential purchasers.

Assignments of Managing Member interest

The Managing Member is permitted to make an assignment of its Managing Member interest or any portion thereof so long as it would not result in a Key Person Event. Thus, the Managing Member may be able to transfer its interest to Alliant or Strategic, and it is possible that the economic interests of the Managing Member in Capital Events may be transferred to a third party, which may result in the Key Persons having less of an economic interest in the Company.

Use of Common Service Providers and Suppliers

The Managing Member and its affiliates bid third-party contracts, including insurance coverage and key suppliers, on a volume basis to regional and national community managers with whom the Managing Member Affiliates have established relationships. These service providers and suppliers may also provide goods or services to, or may have business, personal, financial or other relationships with, the Managing Member and its Affiliates. Additionally, certain personnel or officers of the Managing Member or its Affiliates may have family members or relatives employed by such service providers or suppliers. These relationships may influence the Managing Member or affiliated Lower Tier General Partners, as applicable, in deciding whether to select or recommend these service providers or suppliers. Except as otherwise provided in the Operating Agreement, the Managing Member generally will select the Company's service providers and suppliers and determine the compensation of those providers without review by or the consent of the Investor Members, the Advisory Committee or an independent party. The Company will bear the expenses of these goods and services, even if there is some other relationship to the Managing Member. This may create an incentive for the Managing Member to select an affiliated service provider, or to select service providers or suppliers based on the potential aggregate benefit to other clients of the Managing Member or its Affiliates, or even to the Managing Member itself, rather than to the Company. Fees and expenses for in-house counsel shall be charged on a project-by-project basis.

Material Nonpublic Information

Affiliates of the Managing Member sponsor and advise a range of investment vehicles and expect to continue to develop their respective investment and advisory and related businesses. By reason of their responsibilities in connection with their other activities, certain employees of the Managing

Member or the Adviser may acquire material non-public information or other confidential information. Such personnel may not be free to share such information with the Company, the Company may not be free to act upon any such information, and the possession of information by persons associated with the Managing Member or its Affiliates may preclude the Company from engaging in transactions that it might otherwise have undertaken.

Other Activities of the Managing Member and Affiliates

Managing Member Affiliates will not be restricted from engaging in other business activities, including investing for their own account, forming other pooled investment vehicles, and acting as a director, officer or employee of any corporation, a trustee of any trust, an executor or administrator of any estate, a partner of any partnership or an administrative official of any other business entity, and may receive compensation or a participation interest in any profits in connection with any of the foregoing. In particular, Managing Member Affiliates are and will continue to be general partners, managers or members of other entities which have invested, or have been formed to invest, in real properties. Neither the Company nor any other Member will have any right to participate in any manner in any profits or income earned or derived by any Managing Member Affiliate from or in connection with the conduct of any such other business venture or activity. Such ventures may be competitive with the Company. No Managing Member Affiliate will be required to offer to the Company any particular investment opportunity which comes to its attention, even if the opportunity is suitable for investment by the Company.

Managing Member Affiliates expect to form additional real estate investment partnerships or other entities, some or all of which may have investment objectives which are similar to those of the Company. If a Managing Member Affiliate is presented with an investment opportunity which would be appropriate for the Company but might also be appropriate for another such investment entity, the Managing Member may be subject to conflicts of interest in selecting an investment entity to invest in such opportunity, as the compensation to be received by the Managing Member Affiliates as a result of their sponsorship of other investment entities may be greater or less than their aggregate compensation from the Company. Such a decision as to whether the Company or another investment entity would make such an investment would be made by the Managing Member Affiliate after consideration of his, her or its fiduciary duties to each such entity and a review of the portfolio of each such entity, and such decision would be made on the basis of such factors as the investment objectives of each such entity, the cost of such investment, the effect of such an investment upon the diversification of the portfolio of each possible investing entity and the length of time each such entity has had funds available for investment.

Transactions with Affiliates

Subject to any rules applicable to the Opportunity Zone incentive and the Treasury Regulations promulgated thereunder, and subject to the limitations on the ability of the Company to acquire or dispose of Investment Properties to Affiliates as described in further detail in the Operating Agreement, the Operating Agreement will authorize the Company (including through a Property Entity) to contract and deal with, from time to time, any Member (including the Managing Member) or any Affiliate, and in connection therewith to pay such individual or entity fees, prices, rents or other compensation, provided that such contracts and dealings are necessary or appropriate for Company purposes and the fees, prices, rents or other compensation paid by the Company

therefor are, in the reasonable judgment of the Managing Member, reasonable or competitive with the fees, prices or other compensation customarily paid for similar property or services in the same geographic area. Any transaction between the Company (including through a Property Entity) and the Managing Member or its Affiliates will be entered into without the benefit of arms'-length bargaining and may involve conflicts of interest. The Operating Agreement will authorize the Company to acquire Investment Properties from the Managing Member or its Affiliates for the price paid by the Managing Member or such Affiliates plus any carrying costs incurred. The Company will also be authorized to acquire interests in Property Entities which have purchased or will purchase their Investment Property from the Managing Member or an Affiliate. In addition, the Managing Member has the right to apply funds held as reserves to the payment of fees and expenses of the Managing Member Affiliates. (See "The Managing Member and the Adviser—Managing Member Compensation.")

The Operating Agreement will allow the Managing Member or its Affiliates to enter into agreements to render services to the Property Entities, including, but not limited to development services or serving as the managing member or general partner of the Property Entity, providing asset management and construction oversight services, and to be compensated for such services. Likewise, it is expected that the Lower Tier General Partners and their Affiliates will enter into transactions with their respective Property Entities which are not the product of arms'-length bargaining and would involve conflicts of interest. Affiliates of the Managing Member may be direct or indirect partners, members or investors in entities that are developers of the Investment Properties, which developer entities are expected to be Affiliates of the Lower Tier General Partners in many cases. Affiliates of the Managing Member are also authorized to acquire, and there is a substantial likelihood that Affiliates of the Managing Member will acquire, interests in Lower Tier General Partners. In such capacity as direct or indirect partners, members or investors, such Affiliates of the Managing Member would be entitled to participate in the profits of, distributions made by and other benefits with respect to, such developer entities or Lower Tier General Partners, including, without limitation, profits with respect to development fees received by such developer entities. Additionally, Affiliates of the Managing Member may (i) guarantee obligations of, or tax benefits to be provided by, the Property Entity or (ii) provide services to Property Entities in connection with loans provided or guaranteed by Affiliates of the Managing Member in exchange for fees from such developers of the Investment Properties owned by such Property Entity.

Differing Interests of Investor Members

The Investor Members may have conflicting investment, tax and other interests with respect to their investments in the Company. The conflicting interests of individual Investor Members may relate to or arise from, among other things, the nature of the Company's investments, the structuring or the acquisition of investments, the timing of the disposition of the Company's investments and regulatory concerns specific to an Investor Member. In that regard, the Managing Member may establish from time to time one or more investment vehicles through which it may conduct the Company's investment activities. As a consequence, conflicts of interest may arise in connection with the decisions made by the Managing Member. In structuring investments, and in directing the selection of the Company's investments, the Managing Member will consider the investment and tax objectives of the Company and the Investor Members as a whole, not the investment, tax or other objectives of any individual Investor Member. However, there can be no

assurance that a result will not be more advantageous to some Investor Members than to others, or to the Managing Member or its Affiliates than to a particular Investor Member. The Company may also make investments which may have a negative impact on related investments made by the Investor Members in separate transactions unrelated to the Company. In some circumstances, certain Investor Members may have variations in terms from other Investor Members.

Lack of Separate Representation

Nixon Peabody LLP represents the Managing Member and certain of its Affiliates. That law firm does not purport to and does not represent the separate interests of the Investor Members and has assumed no obligation to do so. Because of the limitations of these legal relationships, Investor Members have not had the benefit of independent counsel in the structuring of the Company or the determination of the relative interests, rights, and obligations of the Managing Member and the Investor Members. This Memorandum was prepared based on information furnished by the Managing Member and its affiliates, and Nixon Peabody LLP has not independently verified that information. Each prospective investor is urged to consult its own counsel in connection with making an investment in the Company.

No Arm's Length Agreements

Certain agreements and arrangements between the Company and the Managing Member and its Affiliates are not the result of arm's length negotiations. Any and all agreements entered into by the Company, on the one hand, and the Managing Member or its Affiliates, on the other hand, are not necessarily on terms no less favorable to the Company than we could obtain from unrelated third parties for similar products and services in the same geographical area.

Joint Investments

The Managing Member may cause the Company to invest in one or more investment properties jointly with another equity fund or account managed by an affiliate of the Managing Member. Such an investment could permit the Company to further diversify its investments by investing a smaller percentage of its funds available for investment in a particular Investment Property. In addition, investing jointly may permit the Company to fully invest its Capital Contribution. However, the Managing Member could find itself in a situation where the Company's economic interest is in conflict with the economic interest of the other affiliated investor(s), as, for example, on an issue such as whether or not to sell or refinance the applicable Investment Property. In such a situation, the Managing Member could have a conflict of interest between its interest as the Managing Member of the Company and its interests as the affiliated joint investor.

LIHTC and other Tax Credit Investments

The Managing Member, the Adviser and the Key Persons may manage funds with different objectives than those of the Company, including other opportunity zone funds, funds intended to generate LIHTC, other housing tax credits, new markets tax credits, energy tax credits, or historic credits, and funds whose primary objective is the acquisition, enhancement, and preservation and the development of affordable housing or workforce housing. Further, the Company may make investments in Investment Properties that receive these tax credits. The Managing Member Affiliates may receive additional fees in respect of these investments, or the terms of these

investments may be more favorable to the Managing Member and its Affiliates due to the stringent requirements of tax credit rules and regulations. In addition, the Managing Member Affiliates are likely to allocate investment properties located in Opportunity Zones to tax credit funds.

Indemnification

The Operating Agreement provides that Managing Member Affiliates will be indemnified against certain liabilities, and the availability of such indemnification could affect the actions of the Managing Member. *See* "Liability and Fiduciary Duty" below.

Receipt of Compensation by the Managing Member and its Affiliates

The payments to the Managing Member and its Affiliates set forth under "The Managing Member and the Adviser—Managing Member Compensation" have not been determined by arm's-length negotiations. The Managing Member will receive compensation pursuant to agreements that will be negotiated on our behalf by the Managing Member and there will not be any independent evaluation of such compensation. As a result, the Managing Member will determine its compensation and the Members will not have approval rights for such compensation. Furthermore, the carried interest of the Managing Member may create further conflicts between it and the Investor Members. Accordingly, the Managing Member may have an incentive to structure the Company's investments and activities in a manner that may maximize the amount of compensation payable to the Managing Member. (See "The Managing Member and the Adviser—Managing Member Compensation.")

Partnership Representative

Under the Operating Agreement, the Managing Member will be the "partnership representative" of the Company. The partnership representative will represent the Company and all of the Members, at the Company's expense, in all examinations of the Company's affairs by the IRS. Such proceedings may involve or affect other investment partnerships sponsored by the Managing Member or affiliates thereof, and the position taken by the partnership representative may have differing effects on the Company and such other investment partnerships. In addition, any position taken by the partnership representative may have different effects on the Managing Member and the Investor Members. As a result of an audit, the Company may determine to pay tax at the entity level or, more likely, make an election to "push out" the liability to the Investor Members who would then have to pay the resulting tax. Similarly, the Opportunity Zone provisions may require certain penalties to be taken into account by the Investor Members. The partnership representative will be empowered to make certain decisions on behalf of all Members, such as extensions of the statute of limitations. Any such decision would involve conflicts of interest on the part of the partnership representative.

Operating Agreement

Additionally, under the terms of the Operating Agreement, the Managing Member is permitted to do certain things on the Company's behalf, or on its own behalf, which may create conflicts of interest, for example:

- the Managing Member is required to devote only such time to our business as shall reasonably be required in the Managing Member's discretion;
- the Managing Member may have conflicts of interest in allocating management time, services, functions among us and future entities, and ventures that it may organize, as well as other business ventures in which it is, or may become, involved;
- while the Managing Member believes that it will have sufficient staff to discharge fully its responsibilities to the Company, the Company will not have independent management and will rely on the Managing Member to conduct the Company's business; and
- the Managing Member may not be required to enter into any contracts on behalf of the Company that place any liability on it or its Affiliates and, consequently, their right to refuse to do so may result in us entering into less favorable contracts than might otherwise be the case if the Managing Member were to accept liability.

OUR BUSINESS

Alliant Strategic Opportunity Zone Fund I, LLC, a Delaware limited liability company was formed by Alliant Strategic Investments II, LLC ("ASI"). The Company will primarily invest in the development of new and acquisition of existing multi-family rental housing located in qualified Opportunity Zones. These investments may include workforce housing, housing for renters who are not at the top portion of the renter market, but – who typically earn 80% to 120% of Area Median Income ("AMI"). The Company, through an affiliate, will actively manage and make all major decisions regarding the acquisition, financing, construction, operations and marketing of each property that is acquired, including originating the operating business plan for each asset, putting the financing plan in place, making decisions on the nature and scope of construction or renovation, hiring appropriately qualified personnel and property management companies to help execute the business plan and the marketing and disposition of each investment property.

The Company's investment focus within Opportunity Zones, will allocate no less than 80% of investments to residential multi-family rental housing, including associated parking both for initial development as well as re-development and repositioning opportunities. The targeted residential rental housing markets will be characterized by strong renter demand for housing and an insufficient supply of good quality, affordable rental housing. The remaining 20% of aggregate square footage may include retail, commercial parking, or hotel projects, which typically will be associated in some fashion with the residential rental housing. It is anticipated that the Company will not invest more than 30% of its maximum offering size in any one Investment Property without Advisory Committee or Investor Member consent.

Market Demand for Workforce Housing and Shifting Demographic

Fundamentally, the Company believes that there is a critical shortage of rental housing for renters earning 120% of AMI, or less, and that the demand for safe, well-built and appropriately maintained housing is both outsized and growing. Our business plan is centered on investing in the development or acquisition of rental housing that appeals to as much as 70-80% of the renter cohort.

According to the Economic Innovation Group (EIG)'s publication "From Great Recession to Great Reshuffling: Charting a Decade of Change Across American Communities", the benefits of the significant economic growth experienced in the United States since the Great Recession have not been spread evenly across communities. While urban communities, often referred to as Metropolitan Statistical Areas ("MSAs"), have seen material growth and suburban areas continue to experience disproportionate prosperity, rural communities are largely the same or even worse off than they were prior to the Great Recession. Demographic shifts reflect this trend. From 2010 to 2017, populations in urban areas (as defined by the Census) grew by 6.5% while the nation as a whole grew by 5.3%. This growth, however, was stronger in larger MSAs, growing at 7.4% in the top 50. Mid-sized cities performed the best (MSAs 21 – 50 grew at 8.3%) and rural areas performed the worst, shrinking 1.7% (see U.S. Census Bureau; Census 2010, Summary File 1, U.S. Census Bureau; American Community Survey, 2017 American Community Survey 5-Year Estimates).

This information yields two important conclusions: The first is that growth is being concentrated in larger metropolitan areas and is especially strong in the 'second-tier' cities. The second is that this growth is not purely organic; people are moving from rural areas to urban areas. This migration to cities puts increasing pressure upon the supply of existing rental housing and, as a result, drives rents up.

Similarly, unemployment is lowest in these top 50 MSAs, and the lowest in those MSAs ranked 21-50 by population. While smaller urban and rural areas have seen marked improvement since the Great Recession, their recoveries lag bigger cities. While Top 50 MSAs currently enjoy unemployment rates at approximately 4.1%, smaller urban and rural areas remain around 4.7% (See Bureau of Labor Statistics, U.S. Department of Labor, Local Area Unemployment Statistics, Full Year 2013 and January 2019).

These factors are intertwined and can have recursive effects. For example, MSAs that enjoy unemployment rates as of January 2019 below 3.0% saw their populations grow an average of 8.8% from 2010 to 2017. For unemployment rates between 3.0 and 4.0%, that growth averaged 7.3%. From there, the numbers fall below the national average. MSAs with 4.0 to 5.0% current unemployment saw their population bases grow only 4.2%, while those with unemployment over 5.0% grew a mere 2.5% over the same time period. Higher employment may incentivize inward migration, which may spur economic growth, which may further grow employment, and the virtuous cycle continues (see U.S. Census Bureau; Census 2010, Summary File 1, U.S. Census Bureau; American Community Survey, 2017 American Community Survey 5-Year Estimates, Bureau of Labor Statistics, U.S. Department of Labor, Local Area Unemployment Statistics, Full Year 2013 and January 2019).

Unfortunately, housing has not kept up with the effects of this cycle. Statistics from Fannie Mae, CoStar, and Reis further point to the incredible need for affordable and workforce housing. While the half of the population below area median income (AMI) is more likely to rent, in several large cities the proportion of rental housing affordable to those making below the median is far less than 50%. (San Francisco: 23%, Los Angeles: 31%, New York: 41%). This lack of rental housing supply helps to push rent burdens to often unsustainable levels. Just over half of multifamily renters are considered cost-burdened, meaning that they spend over 30% of their pre-tax income on rent. Even more striking, more than a quarter of the renting population spends over 50% of their pre-tax income on rent. Multifamily development trends since the Great Recession fail to address the growing need for affordable and workforce housing. According to Reis, just under 1.4 million units of class-A multifamily has been added since the recession. Meanwhile, class-B and C properties have been losing over 100,000 units a year to obsolescence in the same time period. As a result, the proportion of housing affordable to those making below the relevant AMI has fallen from approximately 60% in 2009 to approximately 50% today. This stands in contrast to the demographic trends that have brought many lower income residents to the only places where jobs are being created – cities (see "2019 Multifamily Affordable Outlook – An Overwhelming Need for Workforce Housing", Fannie Mae, Multifamily Market Commentary – February 2019).

While there are several Southern and Midwestern markets that feature proportions of rental product suitable for their populations, the aggregate volume of units remains insufficient compared to the number of renters. Vacancy rates for class B and C properties are expected to be 500 basis points lower than those of Class A by 2020 according to CoStar and Reis (see "2019 Multifamily

Affordable Outlook – An Overwhelming Need for Workforce Housing", Fannie Mae, Multifamily Market Commentary – February 2019).

As a portion of the rural population continues to move to cities to chase the growth and increasing opportunity afforded within, ASI will seek to address the growing gap between the shrinking supply of affordable and workforce housing with its stable and increasing demand.

Out of the 74,001 Census Tracts in the United States, 8,700 have been designated as Opportunity Zones. As the predominant motivation behind the designation of Opportunity Zones is to invigorate low-income-communities (LICs) with new investment, these zones exhibit both challenge and potential. However, not all Opportunity Zones are created equal. Some are natural extensions of an already booming metro area and are poised for meaningful growth. Continued growth in these urban areas necessitates a commensurate steady supply of entry-level housing for those seeking to improve their station in life. The consumer demand for this product far exceeds the supply.

Housing Demand. A study commissioned by the National Apartment Association and National Multifamily Housing Council and conducted by Hoyt Advisory Services (the "Study") projected that the United States needs to build at least 4.6 million multi-family residential apartments units at all price points by year 2030. In addition, the study noted that as many as 11.7 million older existing multi-family residential apartments units could need renovation during the same period. The Study attributes this increased demand to:

- the rise of young adults ages 18 to 34 as the largest generational demographic group and who are delaying homeownership;
- the aging population who are choosing the convenience of apartment living;
- immigration, which is predicted to account for about half of all new U.S. population growth through 2030; and
- demand for apartments is at an all-time high as the number of renters has reached an unprecedented level. Nearly 39 million people in the United States — that is almost 1 in 8 — call apartments home.

The aforementioned demand puts significant pressure on the apartment housing industry to meet the needs of a growing cohort of renters. Further, such demand makes it challenging for millions of families nationwide to find quality rental housing they can afford at their income levels. Underlying the affordable rental housing shortage is an income problem where wage growth has not kept pace with rising multifamily rents.

To meet the projected demand set forth in the Study, more than 325,000 new apartment units need to be constructed each year on average — a number the industry has not been able to hit for decades. From 2012 through 2016, the apartment industry built, on average, only 244,000 new apartment homes per year. The last time the industry built more than 325,000 in a single year was 1989. Importantly, because of the increased cost of land, labor and construction materials, the large majority of new apartments built in recent years have been the highly amenitized, Class "A" luxury housing commanding top-of-the-market rents which are out of reach for a significant portion of multifamily renters. Comparably little new construction has been devoted to workforce housing sought by residents earning 80-120% of AMI (see "US Apartment Demand – A Forward Look,"

sponsored by the National Multifamily Housing Council and National Apartment Association and prepared by Hoyt Advisory Services, Dinn Focused Marketing, Inc. and Whitegate Real Estate Advisors, LLC, May 2017).

The Company believes that a number of factors, including the scarcity of developable land, high cost of land, labor and construction materials, will continue the trend of developing multi-family rental housing for the upper end of the renter market. The Company also believes that, with the deep experience of its key leadership team in building affordable housing, its broad relationships in markets across the country, its development and management expertise and affiliations, and its knowledge of finance and familiarity with government incentive programs such as Opportunity Zones, it is uniquely equipped to make attractive investments in this space.

As housing is broadly needed across the country, ASI's demographic focus will primarily target areas where the need is most acute and the potential for growth is greatest. Filtering the scope of the Opportunity Zone initiative to zones located in MSAs with populations greater than 500,000, densities greater than 2,000 per square mile, and where the proportion of the population living in multifamily housing exceeds 10% yields approximately 3,200 of the 8,700 total opportunity zones.

Within these parameters, census tracts inside and outside of opportunity zones exhibit the following characteristics:

	Average HHI*	Average HV*	Average Rent	Degree Attainment	Average HPI*	Rent % of Income
O-Zone	$36,486	$254,926	$1,199	14.1%	7.15	39.4%
Other	$59,007	$362,294	$1,485	26.4%	6.11	30.2%
O-Zone % of Other	61.8%	70.4%	80.7%	53.3%	117.0%	130.5%

** HHI is household income and HV is home value. HPI represents home price relative to household income. The higher this number, the more likely a resident is to rent rather than own.*

(see U.S. Census Bureau; American Community Survey, 2017 American Community Survey 5-Year Estimates)

These statistics tell an important story. First, though residents of Opportunity Zones make, on average, 62% as much in income, they pay 81% as much in rent. In part, this can be attributed to the relative inability of Opportunity Zone residents to afford a home. Not only are homes more expensive for them relative to income, but their lower incomes make it exceptionally difficult to save the money required to place a down payment on a home. This also shows that the average resident of an Opportunity Zone is more rent-burdened than the greater population.

These factors create a pool of residents that are highly likely to rent for an extended period of time, and points to a tremendous need for rental housing in these zones. The economic opportunity for ASI to deliver on its mission of investing in and developing affordable and workforce housing is generated through the strong fundamental need for continued development of entry-level multifamily and is strengthened further by the economic incentives under the Opportunity Zone initiative.

In order to determine which of these zones is best primed for development, ASI has developed an algorithm utilizing a combination of several publicly and internally available data sources in order to rank the attractiveness of each opportunity zone for affordable and workforce multifamily development. This algorithm covers several dozen economic, social, and geographical indicators with the goal of identifying the tracts with the greatest opportunity. Broadly, the algorithm searches for and optimizes the relationship between tracts to find those with the strongest growth potential by sorting and weighting factors such as relative affordability and proximity to desirable community features. These factors are utilized to project above or below-trend rental growth and are combined with yield-on-cost measures to project returns internally.

Demographic Focus. The management team of the Managing Member listed below (the "Management Team"), believes that changing demographics will have a significant impact on the apartment industry during the next two decades, and specifically that the following demographic shifts will favor apartment communities:

- increases in the number of young people entering the workforce and creating households over the next 10 to 15 years many of whom have substantial debt incurred from college or post-secondary education, which restricts their ability to purchase a home;
- increases in the number of single-parent households;
- increases in housing expenditures by college-aged tenants who seek to exhaust available funds in tax-favored college savings plans, such as "529 plans";
- the desire of older tenants to live closer to major university hospitals and educational facilities;
- shifts away from the suburbs to downtown locations; and
- increases in the immigrant population.

The Company's Business Plan – Opportunity Zones Investments

The Company plans to make investments in the development of new and acquisition of existing multi-family rental housing located in Opportunity Zones. The TCJA allows investors the opportunity to defer certain capital gains by investing them in qualified Opportunity Zone investments. Opportunity Zones are specially created geographic districts that allow investors to receive substantial tax breaks for investing in these zones, including the potential for avoiding taxes on gains altogether.

The monies eligible for investment extend only to realized capital gains from the sale of any property to an unrelated person. These capital gains can come from any asset class and do not have to be traced or placed through an intermediary. Investors are eligible for tax deferral on such gains up to the amount of such gains that are invested in a certified QOF, generally within 180 days of the sale date, provided that for sales of certain property, and for gains recognized inside a passthrough entity, such as a partnership, the 180-day period may commence later. (See "U.S. Federal Income Tax Considerations—Opportunity Zone Rules in Greater Detail.")

During the life of the Company, there are certain requirements of investments that the Company must meet:

- the Company may only make equity investments debt investments do not represent qualified opportunity zone business property; and
- the Company must generally hold 90% of its assets in qualified opportunity zone property.

Please see the "Income Tax Considerations" for further discussion on the above.

Competitive advantage: The ASI "competitive edge" results from the vast experience of its Principals and Management Team exceeding 25 years in the multifamily business with investments in 47 states. Combined, the Principals and Management Team have developed repositioned, or invested in over 1,200 apartment communities comprising over 100,000 multi-family units. Over a third of these assets are currently located in one of the 8,700+ areas designated as Opportunity Zones. This proven depth of experience in these low-income census tract areas will prove to be a solid advantage for the ASI platform. ASI's business advantage intersects with the significant and ever-increasing demand for affordable workforce housing that exists in many Opportunity Zones.

The Company's leadership team also has long-standing relationships with over 300 developers (including direct, joint-venture multi-family developers co-owned by Horwitz) providing a large pipeline of development opportunities that, in the past, have been primarily Low Income Housing Tax Credit ("LIHTC") projects. The development of workforce housing is in our definition the construction of apartment units that serve those of moderate income making between 80% to 120% of area median income (low income housing is typically defined as units that serve those making less than 80% of area median income).

Experience: Our Management Team has many years of dedicated experience sourcing apartment communities that we believe have unrealized value. Since 1997, our Management Team has acquired/rehabbed/developed/invested in a combined ~$18 billion in apartment communities using over $9 billion in LIHTC and common equity, amounting to more than 1,200 communities with more than 100,000 apartment units. The Management Team built its portfolios primarily through single-asset acquisition transactions. Single-asset transactions require careful market research and asset underwriting. In addition, the Management Team is disciplined in its underwriting and acquisitions and thorough in its projections of an asset's future performance.

The Management Team has contacts and established relationships with owners, operators, lenders, brokers, service providers, consultants, and property management companies across the country that has allowed it to quickly identify and underwrite a potential apartment community acquisition or development. These contacts have often allowed for the identification of acquisition opportunities before the opportunities are broadly marketed. The Management Team receives frequent updates from their contacts regarding potential property acquisitions meeting our investment criteria.

Ability to move quickly: ASI is an entrepreneurial company with the flexibility to move quickly and decisively when an opportunity presents itself. The Management Team believes that employing highly qualified industry professionals allows the Company to better achieve this objective. ASI relies on its deal and asset managers to identify suitable apartment communities for acquisition, and its process to acquire an asset is intentional, methodical and efficient.

Decisions to purchase properties are not hampered by multiple layers of bureaucracy. Once under contract to purchase, highly experienced deal and asset management teams conduct thorough market research including current rental comparisons and trends to verify the development or value-add strategy. We believe that our corporate agility has allowed us to beat larger and better capitalized organizations to emerging opportunities and markets.

Impact Investing: The investments that the Company will make in Opportunity Zones, especially those in Workforce Housing may have a significant and often catalytic impact in local communities. The Global Impact Investing Network, or "GIIN", is a nonprofit organization with headquarters in New York City, dedicated to increasing the scale and effectiveness of impact investing around the world. GIIN defines "impact investments" as "Investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return."

Seeking to generate financial returns for investors and at the same time improve housing conditions for tenants, the Company intends to operate and hold itself out as an "impact investment" within the GIIN definition (neither the Company nor the Managing Member is a member of GIIN). The most recent GIIN survey found impact investor assets grew by 18% between 2013 and 2015.

One of the Company's goals is to identify prime opportunities where we can provide social and economic change, create environmentally conscious conditions at the properties, and generate competitive market rate returns. We will focus on building "workforce housing" that substantially meets the common definition as serving those who make between 80% and 120% of area median income or what we call the "missing middle". We feel the greatest opportunity and potential impact from our investments is to build as many quality housing units as possible to help solve the supply constraint that has caused this housing shortage.

ASI's Investment and Operating Strategies

Innovative Underwriting Process and Strategic Planning

ASI believes that it underwrites its potential developments and acquisitions differently than many traditional real estate companies. It not only evaluates the current market position of a potential acquisition, but also its anticipated repositioned competitive performance and the ultimate disposition or exit from each investment property. Our business plan for each investment will strive to ensure adequate capital not just for competitive operations during our investment hold period, but also to position each property to maximize marketability upon sale. We do this by focusing upon markets which will remain durable and vibrant and by building and maintaining assets that will last. All of this analysis is conducted with a combination of acquisition specialists, construction experts, market analysts and asset managers and overseen by our Management Team. ASI's strategic plan for each development or acquisition takes into account the following information:

- acquisition cost;
- building restrictions and covenants;
- capital improvement or repositioning budget;
- operating budget;

- current and expected repositioned occupancy;
- current and expected repositioned rents;
- current and repositioned tenant base;
- repositioned net operating income before and after stabilization;
- our ability to install property managers of our choice;
- metrics of other communities in the area; and
- the current and forecasted condition of the local market.

Active Asset Management and Construction Monitoring

The Construction Monitoring group tracks construction progress, the budget and contingency, and reviews equity draws and capital contributions together with the Asset Management group. Approximately 90% of construction due diligence and inspections are performed in-house. The Company expects to negotiate a right to approve construction loan draws even if our equity funds are not being drawn upon, so that the Construction Monitoring group remains aware of issues that may arise. The Construction Monitoring group remains involved until a final certificate of occupancy is issued.

While site visits during construction are typically conducted monthly before approving draws and change orders, in practice the frequency of site visits can also depend upon developer/contractor experience and track record, equity pay-in structure and third-party reviewer reports on the project, etc. The Company may also utilize a third-party inspector to monitor those projects requiring a limited number of site visits.

Within 60-90 days prior to a property being placed in service, the Asset Manager will obtain marketing materials from the property developer and discuss current leasing activities. Asset Managers monitor lease-up activity on a weekly basis for any property that is not on track or ahead of the underwritten projections. If lease-up is more than 60 days delayed, it will be placed on a watch list.

Asset Management coordinates annual site visits unless a need to see the property more frequently is identified. The visits are performed by the Asset Manager, an Asset Management executive, or a third party contracted property inspector. The Company will conduct additional reviews as needed.

Construction Risk Management (Pre-Close)

The Construction Monitoring group evaluates:

- ESA I for compliance with ASTM and AAI compliance. Phase II and subsequent environmental documents (for example, mitigation plans), if applicable

- Project approvals (zoning, CUP, RPD, site plan approvals, subdivision, etc.) and their conditions for design compliance
- Plans and specs for general completeness and constructability, including architectural, structural, MEP, civil and landscape

- Soils/geotechnical report for compliance with generally accepted requirements/assessments including soil type, soil prep, pavement sections, etc. – and verify that plans incorporate same
- PML's (Probable Maximum Loss) for projects located in high risk seismic zones
- Proposed construction contract including all exclusions/clarifications
- Construction trade budget including allowances to ensure there are sufficient costs to execute the work, and compare it to Alliant cost history
- Construction schedule for adequacy against placed in service deadlines
- Site/survey for conflicting easements, easements that require vacation, zoning requirements, street access
- Permit status
- Builder's risk policy for adequacy of coverage and dollar limits
- Third party plan and cost review

Construction Risk Management (Post-Close)

- Ensure permits have been secured, notice to proceed has been issued, and work is underway
- Monitors progress against the construction schedule
- Follows up on post-closing issues, if any
- In conjunction with Asset Management staff
- Reviews/approves/discusses change orders/addendums
- Reviews/approves/discusses payment applications
- Reviews and approve subsequent closings/fundings
- Reviews 3rd party reports during construction
- Troubleshoots/resolves issues that may arise
- Conducts periodic site visits
- Reviews completion and close out documents

Opportunity Zone Strategy

Capital Deployment/Stabilization.

QOFs are required to hold 90% of their assets in "qualified opportunity zone property," and tested six (6) months after the tax year begins and at the end of each tax year, provided that if assets are acquired after June 30, the test shall only be applied at the end of the tax year, and, in any case, Capital Contributions received within the previous six (6) months are not included in this computation. Thus, amounts received in the second half of the year may have until the following June to be deployed. The Managing Member intends to invest funds as soon as reasonably possible, with the intention of having a project pipeline which facilitates the same; or to adhere to any timeline set forth required by applicable law, regulations or other guidance as it pertains to the Managing Member's responsibility for meeting the 90% Requirement. As discussed below, the proposed regulations provide a "safe harbor" that applies to many projects that are developed within a 31-month timeframe. The Company will have an investment strategy that focuses primarily on the development and redevelopment of projects and properties within designated Opportunity Zones. The Managing Member's primary investment focus will be rental housing that have a "workforce" housing focus, in addition to multi-family, hotel and retail real estate

projects. Only first use projects, or projects that have the potential to be substantially improved within 30 months, will be deemed appropriate for investment.

While the Company intends to pursue the above stated investment strategies, due to future potential regulatory shifts as it pertains to Opportunity Zones, the above stated investment strategies may change, and the Company's makeup could potentially be driven by the nature of investments allowed. (See "U.S. Federal Income Tax Considerations—Introduction—Current Guidance.")

Refinancing

While unlikely, it may be possible for the Company to refinance properties that it holds and distribute some or all of the excess proceeds to Investor Members. In general, the distribution of cash to Investor Members will be taxable, and at capital gains rates, to the extent that the distribution exceeds an Investor's basis in its interest. The IRS's proposed regulations generally permit distributions to Investor Members which do not exceed their basis in the interest, and which are made at least two years after their original investment was made, to neither be taxable nor cause an acceleration of the tax liability associated with the original investment in the Company. It should be remembered that an investor's basis in its investment that represents deferred gain under the Opportunity Zone rules will be zero. So, in order for the Investor's basis to be increased, it will have to (i) be allocated income, (ii) get the benefit of one of the basis step-ups for holding the investment for at least 5 (10 percent) or 7 (5 percent) years, or (iii) have a share of the Company's debt allocated to the Investor. In general, nonrecourse debt can be allocated among the Investor Members in accordance with their percentage interest in the Company, but guaranteed debt, or loans provided by members of the Company, or certain persons related to members will have to be allocated to such guarantor or related member.

Disposition

In general, an Investor will receive favorable tax treatment on the disposition of its interest in the Company, provided it holds the interest for at least 10 years. Such a disposition will generally be treated as having a basis equal to its sales price, thereby yielding no tax liability. In addition, the second round of proposed regulations allows the Company itself to sell properties or interests in other entities that it holds in what would otherwise be taxable transactions, and if after an Investor's 10-year holding period has elapsed and the investor makes an election, to generally eliminate the tax liability. (See "U.S. Federal Income Tax Considerations—Opportunity Zone Rules in Greater Detail.") Regardless, investors should anticipate holding their Interests in the Company for at least 10 years after their own investment, after which time, in order to receive the maximum tax benefits of investment in a QOF, the Investor may sell (to avoid tax) his, her or its Interests in the Company, or the Company may sell assets, and the Investor will make an election. It should be noted that the regulations are not clear on the tax consequence if a Subsidiary Entity sells assets that it holds. As of the date hereof, the rules only specifically apply to sales by a member of its interest or a QOF of its assets. The Managing Member is authorized to arrange a sale of all interests in the Company, with all of the Investor Members agreeing to join in such sale and executing the appropriate documents when requested. Nonetheless, the Managing Member cannot guarantee that there will be a market for the Interests at any point following the 10-year holding period, but it will conform efforts regarding dispositions to applicable regulatory guidance that may be forthcoming (see "U.S. Federal Income Tax Considerations—Introduction—Current Guidance")

even if such actions cause the Company or the Investor Members to receive a lower sale price than they might otherwise obtain were the Managing Member not trying to conform to such guidance. (See "Risk Factors—Attempts to qualify with the Opportunity Zone program may cause the Managing Member to make decisions that will not maximize investment value or returns."). In disposing of the Interests, the Managing Member may, among other actions, arrange a concurrent sale of the real estate portfolio and any limited partner interests, sell the real property one by one, take a short term loan to buy out the Investor Members' Interests while the property sales occur, engage in a whole fund sale, or enter into an initial public offering.

Distributions to Members

Any Available Cash (as defined below) may, in the discretion of the Managing Member, be reinvested by the Company, or be periodically distributed to the Company's Members as Member Distributions ("Member Distributions").

"Available Cash" is defined in the Operating Agreement as the excess of the Company's cash and cash equivalents over the amount needed, determined in the Managing Member's sole discretion, to (i) service its debts and obligations (contingent or otherwise) to any person (including to any Member or Affiliate), in accordance with their terms, (ii) maintain adequate capital and reserves, including for working capital and reasonably foreseeable needs of the Company (and consistent with the Opportunity Zone Code provision and regulations), and (iii) conduct its business and carry out its purposes. Available Cash does not include the Capital Contributions of the Investor Members.

It is in the Managing Member's discretion as to whether, and if so, when, to make Member Distributions, and the decision will depend on whether Available Cash for distribution has been received since any previous Member Distribution. The period until the first Member Distribution, and each period between Member Distributions thereafter, may be respectively referred to as a "Member Distribution Period." There is no guarantee that all Priority Returns, or any amount, will be distributed at the end of any Member Distribution Period.

Subject to tax distributions, Available Cash from operations (i.e., not from a sale, refinance or liquidation event of the Property Entities or Investment Properties), to the extent distributed, will be distributed to the Members in the following order of priority:

1. First, 100% payment to the Investor Members of the Priority Return (to the extent not already met); and

2. Second, a "catch up" distribution of 50% percent to the Managing Member and 50% to the Investor Members until the Managing Member has received an amount equal to 25% of the amounts distributed pursuant to sections (1) and (2) hereof; and

3. Thereafter, 75% to the Investor Members and 25% to the Managing Member, will be distributed, in each case, of the Available Cash for distribution that may come available.

In the case of distributions from the proceeds of a disposition of an Investment Property or Property Entity, or if a liquidation event occurs with respect to the Company (each, a "Capital Event"), proceeds of such Capital Event will be distributed as follows:

1. First, 100% payment to the Investor Members of the Priority Return (to the extent not already met);

2. Second, to the Members until each has received a return of 100% of their Unreturned Capital Contributions; and

3. Thereafter, 75% to the Investor Members and 25% to the Managing Member from the specific property (or group of properties) generating the Capital Event.

Whether distributions are made to cover tax liabilities, and the amount of those distributions, is in the discretion of the Managing Member. Distributions to cover tax liabilities are not to be made more often than on a quarterly basis, and will only be made to the extent there is Available Cash and to the extent such distributions do not affect the Company's qualifications under Section 1400Z-2 of the Code. Distributions, if any, made in this manner will be taken into account in calculating subsequent Member Distributions so that in the aggregate, all distributions to the Members are divided among the Members in the manner they would have been divided without this provision. While the Company expects to be in a position to make distributions to Investor Members sufficient to enable Investor Members to pay the taxes due at the end of the deferral period on December 31, 2026, due to the nature of the Company and the holding period on investments, it may not be possible to make such distributions at that time. Whether or not the Company makes such distributions, Members will be responsible for their own tax obligations. Additionally, in the event the Company is unable to meet or maintain the 90% Requirement, Investor Members would be responsible for a penalty (see "U.S. Federal Income Tax Considerations"), which the Company may or may not be in a position to make distributions to cover.

Priority Returns are not guarantees of payment, an interest rate, or a return on investment but, rather, a formula by which the amount the Company may distribute to an Investor Member in excess of the repayment of the Investor Member's Capital Contribution is determined. Any such distributions are contingent on the Company having sufficient Available Cash for distribution from its business. There is no guarantee that Investor Members will receive all or any part of their Priority Returns or the return of their Unreturned Capital Contributions.

The Managing Member will determine the Priority Return prior to each Member Distribution Period, including only the days within the Member Distribution Period that are after the Member's Capital Contribution has been accepted by the Company.

At the time the Company elects to wind up its affairs and, after the payment of all expenses of the liquidation, payment of the Company's debts, plus the establishment of reserves the Managing Member determines to be necessary or appropriate for actual or contingent liabilities or obligations of the Company, all remaining amounts will be distributed to the Members in the manner previously set forth.

THE MANAGING MEMBER AND THE ADVISER

ASI OZone GP 1, LLC, the Managing Member, will manage and direct the affairs of the Company. Except for limited circumstances described in the Operating Agreement, the Investor Members will have no control over the actions or affairs of the Company.

The Managing Member

The Managing Member will have general responsibility for all aspects of the Company's operations and will provide all management services in connection therewith, including all determinations as to the management, sale and financing of the properties of the Company and certain administrative, accounting and clerical services. The Managing Member is wholly owned by ASI OZone Holdings, LLC, which is wholly owned by ASI. The Managing Member was formed solely for the purpose of acting as the managing member of the Company. ASI's website is located at https://www.alliantstrategic.com/, which is not incorporated by reference herein.

The Adviser, Alliant Strategic Adviser, LLC, a Delaware limited liability company, is wholly owned by ASI. The Management Team will operate the Adviser, initially as an exempt investment adviser. The Adviser may subsequently become a registered investment adviser.

Horwitz, a principal, runs Alliant Capital, Ltd., a Florida limited partnership ("ACL"), which focuses on tax credit syndication for the financing and development of affordable housing. From 1997 through June 2017, ACL and its affiliates have sponsored approximately 99 limited partnerships investing in affordable housing projects that have raised over $7.5 billion in equity and invested in 999 apartment developments representing more than 95,000 units. Of the 999 apartment developments, approximately 308 are in census tracts that are currently designated as Opportunity Zones, representing nearly 31% of ACL's investment activity since 1997.

QOZ?	# Prop	# Units	2017 Audited DCR	2017 Stabilized Occupancy
No	691	68,980	1.47	96.28%
Yes	308	30,419	1.45	96.03%
Grand Total	**999**	**99,399**	**1.46**	**96.20%**

Horwitz also runs Alliant Asset Management Company, LLC, a California limited liability company ("AAMC"), which specializes in the management and asset management of residential real estate, with emphasis on multi-family affordable residential projects. The Company may engage AAMC to perform various services, including accounting, legal, human resources, real estate advisory and acquisition services, partnership and portfolio management services and investor communication and reporting services.

Lorin (a Principal) is an owner of Strategic Realty Holdings, LLC ("SRH"), a self-managed real estate company that was formed to acquire, own, finance, opportunistically reposition and sell underperforming multifamily properties in the United States to optimize risk adjusted returns.

From 2008 through 2018, SRH and its affiliates have acquired 15,000 multifamily residential units in over 70 apartment communities located across the United States in both historically strong economic markets and emerging markets. A majority of these apartment communities are located in California, Florida, Nevada, Colorado, Maryland and Texas. SRH has successfully implemented a strategic investment plan in acquiring multifamily properties that have the potential for a significant increase in operating cash flow from increases in rental and other ancillary income, strong asset management, focused marketing and carefully appointed capital improvement programs.

The following is a brief description of the background and experience of the Management Team, who will be responsible for the activities of the Company.

Shawn Horwitz, age 59, is the Chief Executive Officer and a co-founder of ACL, ASI and AAMC. From 1990 to 1997, Mr. Horwitz was employed by a nationally recognized tax credit syndication fund as its Executive Vice President and Chief Financial Officer where he was responsible for the financial affairs of the company and its affiliates. Additionally, he was integrally involved in raising of equity, the acquisition process and the day-to-day running of the company. From 1984 to 1989 Mr. Horwitz was employed in the Chicago office of Altschuler, Melvoin & Glasser as senior manager in the real estate industry group. From 1981 to 1984, he was employed as an auditor by Arthur Young & Co. Mr. Horwitz received his Bachelor of Commerce degree in accounting from Rhodes University in South Africa. He is a member of the American Institute of Certified Public Accountants.

Edward Lorin, age 53, is the Managing Member and co-founder of ASI and SRH. He has more than 27 years of experience in investment real estate. Between 2001 and 2007, he was the principal owner of a firm that was the exclusive acquisition advisor to a large national apartment company where he led the acquisition of 130 properties; 25,000+ units contained in over $2.2 billion in real estate. Prior to that time, Mr. Lorin was solely responsible for the acquisition of more than $700 million in office, industrial and apartment community assets. Mr. Lorin managed and leased class A office buildings and retail space for Douglas Emmett/Jon Douglas Commercial and sold various sale-leaseback properties with Damon Raike & Company. Mr. Lorin also spent 8 years in the asset management and development of 5 million square feet of shopping centers and industrial complexes while employed by private, entrepreneurial Los Angeles investors. Mr. Lorin earned his bachelor's degree from the University of California, Los Angeles and has been a licensed real estate broker since 1988. He is also a member of the EIG and the Novogradac coalitions for Opportunity Zones. Eddie and his wife Jane have two daughters and live in Westlake Village, California.

Clayton Wyatt, age 37, is the Chief Capital Officer of ASI and AAMC. Mr. Wyatt joined AAMC in 2017. He was most recently a Vice President in the Real Estate Investment Banking group at Jefferies where he primarily covered west coast REIT clients. He completed bookrunner/lead advisory transactions totaling more than $15 billion in value. Mr. Wyatt has over 15 years of real estate experience including private equity, brokerage, construction/development, finance and investment banking. Mr. Wyatt earned his MBA from the Graziadio School of Business and Management at Pepperdine University and B.S. from the Marriott School of Business at Brigham Young University. Prior to earning his MBA, he managed a large joint venture, with a private

equity group, to buy distressed real estate and worked in the structured finance group of a multi-billion-dollar REIT.

Russell Ginise, age 56, is President of ASI. Mr. Ginise oversees the firm's affordable preservation and workforce housing and Qualified Opportunity Zone investment initiatives. Mr. Ginise has extensive experience in both affordable and market rate multifamily housing, having led or directed firms that have collectively owned or managed over 100,000 apartment units in more than 40 states. Most recently, Ginise was Managing Director of Affordable Equity Investments for Hunt Investment Management, where he directed the sourcing, underwriting and acquisition of workforce housing and the effort to raise capital for those acquisitions. Previously, Ginise was president of a private company that acquired, owned and operated 3,000+ units of market rate and workforce housing apartments in multiple states. He was responsible for sourcing investor capital and developing the firm's investment strategy, as well as directing real estate acquisitions, underwriting, operations and asset management, all while hiring talent and building the organization. Mr. Ginise previously worked in senior leadership positions for national tax credit investment firms, including RBC where he was Managing Director and led the origination and fund (the buy and sell) side of the LIHTC operation. He has overseen the investment of more than $2.5 billion in LIHTC equity in tax credit properties during his career. In addition, Mr. Ginise directed the asset management of a portfolio of 32,000 affordable units at Red Capital. Mr. Ginise received his Bachelor of Arts from UCLA and his Juris Doctorate from the Pepperdine University School of Law. He is a member of the Urban Land Institute and its Affordable and Workforce Housing Council.

Kathleen Balderrama, age 43, is the General Counsel of ASI and AAMC. Ms. Balderrama joined AAMC in 2014 and is responsible for overseeing its Legal department and managing its outside counsel. Before joining AAMC, Ms. Balderrama practiced at international law firms, including Mayer Brown LLP and Crowell & Moring LLP, for over 11 years, focusing on complex business litigation, including affordable housing, real estate, and securities litigation. Ms. Balderrama obtained her Juris Doctorate from Loyola Law School of Los Angeles, where she graduated as valedictorian, and her Bachelor of Arts from Loyola Marymount University.

Charles Allen, age 51, is the Chief Financial Officer of ASI and AAMC and is responsible for the financial affairs of ASI, AAMC, and their affiliates. Mr. Allen first joined AAMC in 2010 as Controller of the solar energy division. Prior to assuming his current role, Mr. Allen was Managing Director of an affiliate of ASI where he was jointly responsible for the acquisition and management of the firm's affordable housing preservation investments. Prior to joining AAMC, Mr. Allen served as Vice President and Controller at Macquarie Bank Ltd. Investment Funds Group responsible for managing the day-to-day financial operations of $6 billion of investments in hedge funds, fund of funds, and structured investment products. Mr. Allen began his career as an analyst in the real estate division of GE Capital and has nearly 20 years of real estate experience and 8 years of LIHTC experience. Mr. Allen earned his Bachelor degree in business from The George Washington University and is a Chartered Alternative Investment Analyst and Certified Management Accountant (inactive).

The Managing Member may in the future use the services of other employees of AAMC and SRH to assist in portfolio management, analysis and research, and back-office operations.

See "OUR BUSINESS—Our Operating Strategies" above for the anticipated operating strategies of the Management Team.

PRIOR PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. THERE IS NO ASSURANCE THAT THE COMPANY WILL BE SUCCESSFUL WITH THE TYPE OF PROGRAM REQUIRED OF A QUALIFIED OPPORTUNITY FUND.

Compensation of the Managing Member, the Adviser and their Affiliates

Following is a description of the anticipated compensation and expenses that may be paid to the Managing Member, the Adviser and their respective Affiliates or otherwise directly or indirectly borne by the Investor Members in connection with the formation and operation of the Company's business. Similar fees may be paid to other Affiliates over the anticipated duration of the Company.

Management Fee

On the first day of each calendar quarter, the Company shall pay the Adviser an annual management fee equal to: (i) 2% of total equity committed to the Company aside from equity the Company has committed to Investment Properties that have achieved Stabilization, plus (ii) for Investment Properties that have achieved Stabilization, 0.7% of the Company's Asset FMV (the foregoing, collectively, the "Management Fee"). Where an Investment Property has been sold, the Management Fee in respect of that Investment Property will be 0.7% of the sale price until a new Investment Property in which the proceeds of that sale have been reinvested achieves Stabilization.

"Stabilization" means the earlier of (a) achievement of an Occupancy Rate of at least ninety percent (90%) for a period of not less than 3 consecutive calendar months by a completed Investment Property, or (b) the refinancing of the indebtedness to permanent non-recourse financing on such Investment Property.

"Occupancy Rate" means the ratio of rented or used space of an Investment Property to the total amount of available space of such Investment Property.

Carried Interest

See "OUR BUSINESS—Distributions to Members" for a description of carried interest that will be paid to the Managing Member out of the Company's distribution waterfall.

Lower-Tier Fees and Expenses

Generally, there will also be fees and expenses at the Property Entity or Investment Property level. While in many instances these fees will not be paid to the Managing Member or any of its affiliates, in certain projects the Developer, Lower Tier General Partner, or service providers may be affiliates of the Managing Member that would be entitled to additional fees. These fees would be charged at market rates and are in substitution of fees that otherwise would be charged by third parties.

Development Fees

A Property Entity may pay a developer a development fee 5% or greater of the total development costs for its Investment Property for the developer's services in developing the Investment Property. The developer of an Investment Property may be an affiliate of the Managing Member or an unaffiliated developer may pay a portion of this fee to an affiliate of the Managing Member as compensation for assistance with developing the Investment Property. To the extent the developer is an affiliate of the Managing Member, that developer may be paid a market rate development fee, but in any event, such development fee shall not be more than 5%, as determined in the sole discretion of the Managing Member, without any additional consent of the Investor Members.

Lower Tier General Partner Fees

In some instances, the Lower Tier General Partner may be an affiliate of Alliant, Strategic or the Adviser. The Lower Tier General Partner will receive a share of the economic benefits flowing to the Property Entity, which may be a third party or it may be an Affiliate of the Managing Member. If the Property General Partner is a third party, then the split of the economics attributable to the Lower Tier General Partner and the Company will be the result of an arm's-length negotiation. If the Lower Tier General Partner is an Affiliate of the Managing Member, then the Lower Tier General Partner's share of available cash (including, without limitation available cash from operations or capital transactions) will not exceed 33%, and the Lower Tier General Partner's share of funds from capital transactions will not exceed 33%.

Property Manager Fees

The Investment Property may pay its Property Manager a property management fee that generally would be between 1% and 5% of gross rents annually for its services in leasing and managing the Investment Property. While unlikely, a portion of this fee may be paid to Managing Member Affiliates as compensation for assistance with property management services. Any such fee may be paid to Managing Member Affiliates without offset of Management Fees or other fees and without any additional consent of the Investor Members, and this conflict of interest will be explicitly waived by the Investor Members in the Operating Agreement.

Limited Liability of Managing Member and Possible Inadequacy of Remedies

The Managing Member is required to perform its duties with respect to our business in good faith, and in a manner believed to be in its own best interests. Pursuant to various state and federal laws, the Managing Member is not personally liable to any person for any act, omission, or obligation of ours solely by reason of its being a Member and the Managing Member. Our officers, employees and agents, if any, are also required to act in good faith and in a manner believed by them to be in our best interests in handling our affairs.

Under the Operating Agreement, the Company will indemnify the Managing Member and its Affiliates against all liabilities incurred in connection with their serving in such capacities. Generally, the Managing Member and our officers or employees will be entitled to indemnification, unless it is determined that such person's conduct was in violation of law, was due to liability under Section 10(b) of the Exchange Act or other applicable securities laws as to which liability may not be waived, was knowingly fraudulent or deliberately dishonest, or

constituted willful misconduct. Other agents of ours may be indemnified on the same basis in the discretion of the Managing Member in the specific case. Such indemnification provisions do not affect the availability of equitable remedies, such as the rescission of an improper contract or an injunction to prevent a threatened action. Members, accordingly, would be entitled to more limited rights of action than they would have absent various state and federal laws and the Operating Agreement's limitations of the Managing Member's liability. See "Liability and Fiduciary Duty" below.

Third Party Administrator

The Managing Member intends to engage a third party (the "TPA") to provide certain administrative services to the Company on behalf of and under the direction of the Managing Member. The fees and reimbursable expenses of the TPA will be borne by the Managing Member and not by the Company.

Services that will be provided by the TPA may include (a) maintaining the financial books and records of the Company and Project Entities; (b) preparing periodic reports and financial statements of the Company and Project Entities; (c) calculating asset management and similar fees owed to other service providers; (d) processing subscriptions and capital contributions of Investor Members; (e) tracking and reporting on metrics related to the Company's qualification as a QOF and assisting in related Opportunity Zone compliance matters; (e) performing other accounting and clerical services necessary in connection with the administration of the Company; and (f) maintaining the Company's register of Investor Members.

The Managing Member has not yet finally selected the TPA, but expects to do so before the Managing Member accepts the initial Capital Commitments into the Company. The Managing Member expects that it will enter into a written services agreement with the TPA that will contain certain limitations on the TPA's liability to the Company and that will require the Managing Member and/or the Company to indemnify the TPA for a broad range of liabilities and expenses arising out of the TPA's actions on behalf of the Managing Member and the Company. It is unlikely that Investor Members would have any ability to make direct claims against the TPA for any alleged wrongdoing. The Managing Member will seek to include provisions in its agreement with any TPA that would allow the Managing Member to hold the TPA responsible for losses, liabilities or costs arising out of the TPA's own fraud, bad faith, gross negligence, or willful misconduct.

To ensure compliance with statutory and other requirements relating to money laundering, the TPA may require verification of identity from any person submitting a completed subscription document to the Company. Failure to respond promptly to such requests for documentation may necessitate the mandatory redemption of such investor's interests in the Company. The Company may be required by law to hold the proceeds from such redemption in escrow until the requisite documentation is received.

LIABILITY AND FIDUCIARY DUTY

Fiduciary Duty of the Managing Member

The Managing Member owes a fiduciary duty to the Investor Members to the extent provided for in the Operating Agreement and described herein, which includes a waiver of fiduciary duties to the maximum extent permitted by Delaware law. *See* "Exculpation and Indemnification of Managing Member" below. If an Investor Member believes that the Managing Member has violated its fiduciary duty to the Company under the terms of the Operating Agreement, that Investor Member may seek legal relief directly or on behalf of the Company under applicable laws to recover damages from or require an accounting by the Managing Member. However, it should be noted that the cost of litigation against the Managing Member for enforcement of its fiduciary obligations may be prohibitively high, and there can be no assurance that adequate legal remedies will be available to the Investor Members. Further, the disclosures relating to the business terms of the Company contained in this Memorandum (and the Investor Members' consent thereto) would be used as a defense by the Managing Member if an Investor Member were to assert that the Managing Member had violated its fiduciary duty in agreeing to such terms. The Adviser will also have fiduciary duties under the Advisers Act as to which there is no private right of action.

The Operating Agreement will provide that no Investor Member, in its capacity as such, will owe a fiduciary duty to the Company or to the other Members.

Exculpation and Indemnification of Managing Member and the Adviser

The Operating Agreement provides that each of the Managing Member, each of its Affiliates (including the Adviser), and each of their respective officers, directors, employees, members, partners, shareholders, agents or trustees (each an "Indemnified Party" and collectively, the "Indemnified Parties") will have no liability to the Company or to any Member for any damages suffered by the Company, unless determined by a court of competent jurisdiction (from which no further appeal may be taken), to be resulting from Disabling Conduct.

The Company will indemnify each Indemnified Party to the fullest extent permitted by law for any and all liabilities, obligations, losses, damages, fines, taxes and interest and penalties thereon, threatened or actual proceedings, costs, expenses and disbursements (including legal and accounting fees and expenses, costs of investigation incurred in defending any threatened or actual proceedings in advance of the final settlement of such matter and sums paid in settlement) of any kind or nature whatsoever, which may be imposed on, incurred by or asserted at any time against such Indemnified Party in any way related to or arising out of the Company, the Operating Agreement, any joint venture entered into with the Company, the Membership Interests, the Company's investments or any activity of any Indemnified Party on behalf of the Company or such a joint venture incurred by such Indemnified Party ("Claim and Expenses"), unless determined by a court of competent jurisdiction (from which no further appeal may be taken) to be resulting from such Indemnified Party's Disabling Conduct.

Notwithstanding anything to the contrary herein, no Indemnified Party shall have any liability for any damages that represent loss of profit, goodwill, business opportunity, anticipated saving, indirect losses, special or punitive losses or consequential losses.

The Company may, in the absolute discretion of the Managing Member, pay or reimburse any claims and expenses incurred by an Indemnified Party in advance of any final determination of a matter (which amounts will constitute an expense of the Company), provided that such Indemnified Party shall repay such expenses to the Company if it is subsequently determined by a final judgment of a court of competent jurisdiction (from which not further appeal may be taken) that such Indemnified Party is not entitled to be indemnified pursuant to the terms of the above paragraphs.

The Adviser may cause the Company to purchase, as an expense of the Company, insurance to insure the Company and any Indemnified Party against any liabilities (including acts not covered by any indemnification provisions) that may arise in connection with the activities of the Company. Each Investor will agree, to the fullest extent permitted by law, that any claim, action or proceeding seeking any relief against any Indemnified Party of the Company based on, arising out of, or in connection with the Company will, unless agreed otherwise by the Adviser, be brought only in the Chancery Court of the State of Delaware (or other appropriate state court in the State of Delaware) or the U.S. federal courts located in the State of Delaware or the Southern District of New York, and not in any other court in the U.S. or any other country. Additionally, each Investor will indemnify the Indemnified Persons and the Company from any and all claims and losses arising from (i) such Investor's misrepresentation of any material fact in the Operating Agreement or any other document executed by such Investor in connection with the Company; or (ii) any prohibited transfer of its Membership Interests.

Limited Liability of Investor Members

Under Delaware law and the Operating Agreement, each Investor Member will be liable for the debts and obligations of the Company only to the extent of any contributions to the capital of the Company.

DESCRIPTION OF THE INTERESTS AND OPERATING AGREEMENT

The following is a summary of certain terms and provisions of the Company's Operating Agreement. Such summary is qualified in its entirety by the full terms of the Operating Agreement. Potential investors are urged to read the entire Operating Agreement. Capitalized terms used but not defined in this Memorandum have the meanings set forth in the Operating Agreement.

Rights and Liabilities of Members

The rights, duties, and powers of Members are governed by the Operating Agreement and the Delaware Act. This summary of such rights, duties and powers is qualified in its entirety by reference to the Operating Agreement and the Delaware Act. Under Delaware law and the Operating Agreement, each Investor Member will be liable for the debts and obligations of the Company only to the extent of any contributions to the capital of the Company. The Investor Members will explicitly waive their rights to judicial dissolution and the exclusive jurisdiction for any disputes will be the Delaware Court of Chancery.

Company Term

The term of the Company will end on the date that is 10 years following the Final Closing, subject to extension, (a) by the Managing Member upon notice to the Investor Member for up to two additional one-year periods following such date, (b) automatically, for such period required by any covenant or restriction contained in loan agreements or other obligations to which the Company or the Investment Properties are subject, (c) by the Advisory Committee or Investor Member Approval, or (d) in the Managing Member's sole discretion, the final QOZ Rules would require a longer term for Investor Members to receive the contemplated tax benefits of a Qualified Opportunity Zone investment. The Company may also be terminated and dissolved earlier after any of the following events: (i) our dissolution by judicial decree; (ii) the sale, transfer or other disposition of all or substantially all of our property outside of the normal business of the Company; or (iii) decision by the Managing Member, in its sole discretion, to dissolve. Notwithstanding the foregoing, the Managing Member will use reasonable efforts to cause the Company not to be dissolved prior to the end of the 10-Year Gain Exclusion. While the Managing Member may be able to elect to liquidate the Company earlier than the tenth anniversary following the last investment by the Company, liquidation prior to the end of the 10-Year Gain Exclusion would result in a loss of certain tax benefits that may be available to the Investor Members. This term, however, may be extended to the extent that, in the sole discretion of the Managing Member, the final Opportunity Zone regulations would require a longer term for Investor Members to receive the contemplated tax benefits of an Opportunity Zone investment.

Investment Period

The Investment Period will begin on the first day on which Membership Interests are sold and will end on the ten-year anniversary of the Final Closing, unless terminated sooner upon the occurrence of a Key Person Event.

Following the end of the Investment Period, no further investments will be made by the Company, except to the extent necessary to: (i) complete investments for which a letter of intent or a similar

commitment has been entered into or made prior to the end of the Investment Period; or (ii) make an additional investment to renovate, protect, support or enhance an existing investment.

Reinvestment

Reinvestment of invested capital received from the proceeds of the sale of other investments during the Investment Period is permitted and may be made so long as it is made in a manner the Managing Member reasonably believes will permit the Company to continue to qualify as a QOF.

Following the end of the Investment Period, the Managing Member may reinvest capital to (i) pay or establish reserves in respect of the Company's investments; (ii) pay or establish reserves in respect of outstanding indebtedness; (iii) make payments in respect of its investments to the extent it is contractually obligated to do so; (iv) pay expenses of the Company (including operating expenses, fees, expenses of the Managing Member and indemnification obligations); and (v) make new investments, in the sole discretion of the Managing Member, to cause the Company to continue to qualify as a QOF.

Rights, Powers and Duties of Managing Member

Subject to the right of the Investor Members to vote on limited specified matters under the Operating Agreement, the Managing Member will have complete charge of the business of the Company. The Managing Member is not required to devote full time to Company affairs but only such time and attention as the Managing Member determines, in its reasonable judgment, as is required for the effective conduct of Company business. The Managing Member acting alone has the power and authority to act for and bind the Company. The Managing Member also has the authority to borrow money on behalf of the Company as determined in its sole discretion. The use of such borrowings could have the effect of (i) reducing Member Distributions or (ii) increasing such Member Distributions in such a way that accelerates the payment of Priority Returns and the return of Capital Contributions to the Members.

Voting Rights

The Investor Members have no voting rights except as required by law or where Investor Member Approval is required by the Operating Agreement or requested by the Managing Member.

Records and Reports

After the end of each fiscal year, the Managing Member shall cause an audit of the Company's financial statements for such year to be made by a firm of independent public accountants of recognized national standing in accordance with US GAAP. These audited financial statements shall include a schedule of investments (including the valuation of each investment used in preparing such financial statements), a schedule of the Members' capital accounts, a balance sheet, a statement of operations and a statement of cash flows. The Managing Member shall cause a copy of such audited financial statements to be delivered to each of the Members within 120 days of the end of such fiscal year (or as soon as reasonably practicable thereafter).

The Managing Member shall also prepare or cause to be prepared and shall furnish to each Investor Member as soon as reasonably practicable after the end of such quarter, unaudited quarterly

summary financial information of the Company for the first three quarters of each year, including a schedule of investments (including the valuation of each investment used in preparing such financial statements), a balance sheet, a statement of operations, a schedule of the Members' capital accounts and a statement of cash flows.

The Managing Member will use reasonable best efforts to cause the Company's tax return and IRS Form 1065, Schedule K-1 and Form 8996, as well as such other information as may be needed to show compliance with the qualified Opportunity Zone rules, to be prepared and filed on a timely basis and will use reasonable best efforts to prepare and mail to each Member such Member's Schedule K-1 as promptly as practicable after the close of the Company's fiscal year (or as soon thereafter as reasonably practicable, which may be after April 15) or any successor schedule or form, and such other information as an Investor Member may reasonably request for the purposes of applying for refunds of any withholding taxes; provided, such Investor Member agrees to pay any additional expenses incurred by the Company, the partnership representative or the Managing Member to provide such additional information. Investor Members should be prepared to obtain extensions of the filing date for their income tax returns at the federal, state and local levels.

The Managing Member may also engage a tax structuring consultant to prepare an AUP analyzing the Company's satisfaction of the 90% Requirement (as such terms are defined in Appendix A) and any other reports needed to qualify as a QOF. Novogradac & Company, LLP will be the initial tax structuring consultant.

Investor Members should be aware that these reports prepared by the Company will generally *not* disclose information that the Managing Member regards as confidential or proprietary.

Electronic Delivery of Documents

The Company may deliver its financial statements and investor correspondence, supplements to this Memorandum, revised Company governing documents, offers to deliver annual privacy notices and other investor notices and materials by e-mail to the address in the Company's records or by password-protected website or other electronic means. When delivering documents by e-mail, the Company will generally distribute them as attachments to e-mails in .pdf format. By making a Capital Commitment, each Investor Member is consenting to electronic delivery of documents. Investors who do not wish to receive documents electronically, or who wish to change the method of notice, must so elect by notifying the Managing Member affirmatively in writing. Criminals have been known, from time to time, to impersonate managers of investment funds to illegally misappropriate funds from investors or mislead investors about the progress of investments. Before making any payment based on electronic delivery, please confirm with the Managing Member that those funds have actually been requested.

Advisory Committee

The Managing Member may, but shall not be required to, select an Advisory Committee consisting of at least three but no more than seven representatives of the Investor Members, as determined by the Managing Member, who are willing to participate and who are not Managing Member Affiliates. Each Investor Member selected to serve on the Advisory Committee may appoint one representative (subject to the Managing Member's reasonable approval) to serve on its behalf as a

voting member of the Advisory Committee. Members of the Advisory Committee may be removed by the Managing Member if the Managing Member believes in good faith that such member is not fulfilling the duties of the position or may be replaced by the Investor appointing him or her (in which case, such replacement shall be subject to the Managing Member's reasonable approval). In addition, each member of the Advisory Committee may resign by giving the Managing Member prior written notice. If there is no Advisory Committee, all matters which would be brought to the Advisory Committee will be referred instead to the Investor Members for Investor Member Approval. Further, the Managing Member may still bring matters that have not been approved by the Advisory Committee to the Investor Members at large for their approval, and any action that may be taken by the Advisory Committee may also be taken by Investor Member Approval.

If established, the Advisory Committee may meet from time to time upon request of the Managing Member for the purpose of approving the following matters: (i) any modification to, or waiver of, investment restrictions that requires approval of the Advisory Committee; (ii) transactions involving the Managing Member or its affiliates that require Advisory Committee approval under the Operating Agreement; (iii) acceptance of a Key Person replacement recommended by the Managing Member as a Qualified Replacement; and (iv) approval of a change in control of the Managing Member for purposes of the Advisers Act.

The Advisory Committee may be called to meet from time to time or provide written consent to approve changes to or waivers of certain investment restrictions, certain conflicted transactions, acceptance of a Key Person replacement. The Advisory Committee may also be called to meet for purposes of consulting on other matters at the discretion of the Managing Member.

The Advisory Committee will generally act by majority vote of members who cast a vote, with each member entitled to one vote. Except where the approval of the Advisory Committee is expressly required by the Operating Agreement, any actions taken by the Advisory Committee will be advisory only, and the Managing Member will not be required or otherwise bound to act in accordance with any recommendations made by the Advisory Committee or any of its members. Failure by the Advisory Committee to respond or abstention by the Advisory Committee (or any member thereof) shall be deemed to constitute affirmative approval by the Advisory Committee (or member thereof).

No member of the Advisory Committee (or any Investor Member whose representative is a member) will be liable to the Company, the Managing Member or the Investor Members for any losses, claims, damages or liabilities arising from any act or omission performed or omitted by it in good faith as a member of the Advisory Committee. The Company will indemnify, to the fullest extent permitted by law, each member of the Advisory Committee and any Investor whose representative is such member against any losses, claims, damages or liabilities (including, without limitation, reasonable fees and expenses of counsel incurred by such member or Investor as a result of any claim or threatened claims against it arising from the service as a member of the Advisory Committee of such member or Investor whose representative is a member) arising from any act or omission performed or omitted by such member or Investor as a member of the Advisory Committee except for willful malfeasance or actions taken or omitted to be taken in bad faith. The Company will reimburse for (upon receipt of all supporting documentation) or advance to each member of the Advisory Committee (or the Investor whose representative is a member) all

reasonable out-of-pocket expenses (including travel) incurred by such member in connection with its service as a member of the Advisory Committee. The Advisory Committee may act by unanimous written consent.

Other than the obligation to act in good faith, the members of the Advisory Committee do not owe a fiduciary duty to the Company or to any Investor Member.

Profits and Losses

Profits and Losses of the Company will be treated in accordance with the Operating Agreement.

Distributions and Return of Capital

The Company may make Member Distributions when there is Available Cash for distribution, in the discretion of the Managing Member. See "OUR BUSINESS—Distributions to Members" above for the priority of distributions.

Furthermore, the Managing Member may make, but is not required to make, discretionary special distributions to any Member disregarding the Members' preference, in an amount calculated to cover the estimated tax liability of the Member or Members in any given period. Any such tax distribution can be made at the discretion of the Managing Member, but will only be made to the extent there is Available Cash and do not affect the Company's qualifications under Section 1400Z-2 of the Code. As discussed previously, distributions more than two (2) years after an Investor makes its Capital Contribution, and which do not exceed an Investor's basis in its interest, should not be taxable or cause an acceleration of the Investor's liability for the deferred tax associated with the investment.

Managing Member Compensation

Compensation of the Managing Member, the Adviser and their respective affiliates is described above under the heading "The Managing Member and the Adviser—Compensation of the Managing Member, the Adviser and their Affiliates."

Operating Expenses

The Company will bear the cost of all "operating expenses." As used herein, "operating expenses" shall mean all costs, expenses and liabilities that are incurred by or arise out of the operation and activities of the Company, as determined by the Managing Member, including, without limitation: Broken Deal Expenses (as defined in the Operating Agreement); Management Fees (as defined in the Operating Agreement); all reasonable expenses for auditing and other services of independent certified public accountants rendered to or for the benefit of the Company; all reasonable expenses for legal, consulting and other professional services rendered to or for the benefit of the Company by Persons other than the Adviser and its Affiliates; aborted transaction expenses, to the extent not borne at the Investment Property level; transfer taxes, title premiums, environmental insurance premiums, brokerage commissions and other closing costs; all other out-of-pocket expenses that are incurred directly in connection with a transaction or a proposed transaction by the Company (including those incurred by subsidiaries used to hold, manage or administer investments) and are associated with identifying, investigating, structuring, negotiating, monitoring, financing or

disposing of investments, including legal, compliance, accounting, audit, consulting, appraisal, valuation, travel, meals, accommodation, entertainment and other expenses or related taxes, whether or not such transaction is consummated; the cost of organizing any special purpose vehicle for making investments; fees, commissions, discounts and other expenses incurred in connection with the purchase, holding or sale of any securities, limited partnership interests or membership interests by the Company and any hedging transactions, including interest rate caps and collars; expenses and costs incurred in connection with any government and regulatory filing, registration and registered office fees relating to the Company (such as those following the registration of the Company for marketing in any jurisdiction, but excluding Form ADV and Form PF); costs and expenses associated with research in furtherance of the Fund's investment activities (including engaging consultants, participation in conferences, membership in trade organizations and other activities that promote investment pipeline development); costs, fees and expenses incurred to alter or modify the structure of the Fund; communications expenses, including any software or online data portal, in respect of communications to Investor Members; U.S. federal, state, county and municipal and non-U.S. taxes and other governmental charges assessed against the Company other than taxes withheld from Distributions to a Member or otherwise paid or required to be paid by a Member; expenses of providing reports and other information to Members; administrative expenses and costs, including expenses associated with information technology (including subscription fees and expenses), the maintenance of books of account, the preparation of financial statements and any financial reports (including fees and expenses of auditors, accountants and counsel); obligations incurred in connection with Company credit arrangements (including repayment obligations, interest, fees and expenses in connection with such credit arrangements) and all other expenses of depositary services of any depositary, custodian and administrator services (including all legal, accounting, audit, consulting, and appraisal expenses); premiums for insurance protecting the Company and Indemnified Parties from liabilities relating to the Company's affairs and indemnity expenses; expenses and fees incurred by the Managing Member or its Affiliates as partnership representative on behalf of the Company; expenses of the Advisory Committee (including reasonable travel, meals, accommodation and other out-of-pocket expenses of the Advisory Committee members) and any meetings of the Members; expenses and costs of liquidating the Company and its special purpose vehicles and subsidiaries; and all other Losses, liabilities and expenses incurred by or on behalf of the Company in connection with the conduct of the business of the Company or the defense or disposition of any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, arising in connection with the conduct of the business of the Company.

The Managing Member shall bear expenses incurred by the Adviser or the Managing Member in providing for its normal operating overhead, including all salaries for employees of the Adviser or the Managing Member, as applicable, all rent and other general and administrative expenses associated with the maintenance of an office for the Adviser, but not including Organizational Expenses or Operating Expenses.

Amendment of the Operating Agreement

The Operating Agreement may be amended with both (i) the approval of the Managing Member, and (ii) Investor Member Approval. Certain types of amendments to the Operating Agreement may be made unilaterally by the Managing Member, without consent of the Investor Members, including amendments required by a lender making a loan to the Company or amendments

necessary to conform the Operating Agreement provisions to future temporary, proposed or final regulations regarding the Opportunity Zone incentive.

Investor Default

Under the provisions of the Operating Agreement, an Investor Member that does not fund a capital call in a timely manner may be considered to be in default and will be subject to certain remedies specified in the Operating Agreement, including, among others, a substantial forfeiture of its Membership Interest in the Company or exclusion from the Company. A default by any one Investor Member will not relieve any other Investor Member from its obligation to fund its Capital Contribution. The Managing Member may seek additional Capital Contributions from the other Investor Members in order to cover any defaulted amounts, although the Capital Commitment of an Investor Member shall not be increased.

No Early Withdrawal from Company

No Member has the right to withdraw from the Company or to demand any Member Distribution or a return of all or any part of his, her or its Capital Contribution. No Member, by reason of his, her or its withdrawal from the Company, will receive any Member Distribution other than in such amounts and at such time as he would have received had he not withdrawn from the Company.

Limitations on Transferability

The Membership Interests will not be registered under the Securities Act, the securities laws of any state, or the securities laws of any country and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act. Investors making Membership Interests in the Company will have no right to require such registration. There will be restrictions imposed by applicable United States federal and state securities laws upon the resale or transfer of any of the Membership Interests. To ensure compliance with those securities laws, rules and regulations among other things, per the provisions of the Operating Agreement, no Membership Interests may be transferred without the prior written consent of the Managing Member. That consent, however, will not be unreasonably withheld unless a transfer is explicitly prohibited by the terms of the Operating Agreement. The Managing Member will be required to refuse a transfer, including, among other circumstances when in its reasonable judgment transfer must be prohibited in order to avoid (a) the Company being a publicly traded partnership taxable as a corporation under the Code, (b) the Company being required to register under the Investment Company Act or the Exchange Act, (c) the Company's assets being deemed "plan assets" under the Employee Retirement Income Security Act of 1974 and the modifications thereto and rules and regulations promulgated thereunder or (d) the Managing Member, the Company or any of their respective affiliates becoming subject to any additional regulatory or tax regime. The transferor shall be responsible for all expenses incurred, or reasonably anticipated to be incurred, by the Company and Managing Member arising from or in connection with such transfer.

Transferees of the Membership Interests might not be eligible for the tax benefits to which Investor Members may be entitled to if they hold for the entire 10-Year Gain Exclusion. There is no public market for the Membership Interests, and no active public market is likely to develop.

Consequently, Investor Members may not be able to liquidate their investment in the event of an emergency or for any other reason.

Except as otherwise provided under applicable law, the Managing Member may assign its managing member interest in the Company to any affiliate of the Managing Member with 100% common ownership at any time with prior written notice to the Investor Members. If such a transfer is made, the Managing Member and its personnel may have less economic interest in the Company.

Drag Along

The Operating Agreement contains a mechanism, known as the drag-along, for the entire Company to be sold at the same time where, in the sole discretion of the Managing Member, it would benefit the Investor Members through a combination of maximization of tax benefits and capital gains provided that any sale agreement contains certain terms. At any time after the expiration of the Investment Period, the Managing Member shall be authorized to cause the sale of the entire Company, including by a sale of all Membership Interests. In the case of any sale pursuant to the drag-along, proceeds will be distributed in the same manner as if the Company had been liquidated. The Managing Member shall not be permitted to exercise the drag-along unless the sale agreement provides that the liability of the Investor Members is limited to the proceeds received by such Investor Member and any liability of the Members is on a several and not joint basis. The Operating Agreement contains a power of attorney pursuant to which each Investor Member authorizes the Managing Member to act on its behalf, as its attorney-in-fact, to take all actions and do all things that may be required to effect any such sale.

Redemption

To the extent permitted by the final qualified Opportunity Zone rules, the Company may redeem or purchase any portion of the Membership Interests in connection with the disposition of the Company's investments. The Members will have no right to demand redemption of their Membership Interests.

Key Person Event

A "Key Person Event" will occur if, at any time during the Investment Period, so long as any Managing Member Affiliate is the general partner of the Company, either (i) both of Shawn Horwitz and Edward Lorin (or, if applicable, his previously approved Qualified Replacement) (each a "Key Person") ceases to be actively involved in the management of the Company (it being understood that the Key Persons may engage in other activities to the extent that such activities do not materially impair such Key Person's ability to participate in management of the Company), or (ii) upon the death or incapacitation of both Key Persons, the applicable affiliate of the Managing Member does not activate its succession plan or it does not have key man insurance. The Managing Member has the right to replace any Key Person (or Qualified Replacement) with the approval of the Advisory Committee or the Investor Members, which approval shall not be unreasonably withheld, conditioned or delayed (each such approved replacement, a "Qualified Replacement").

The Managing Member will give each Investor Member notice of a Key Person Event within 10 business days of its occurrence and will present to the Advisory Committee or the Investor

Members, as applicable, recommendations for a Qualified Replacement. If Qualified Replacement is not approved within 90 days after the occurrence of a Key Person Event, the Investment Period may be suspended upon Investor Member Approval. Investor Members may elect to lift such suspension of the Investment Period at any time with Investor Member Approval and such suspension will be automatically lifted upon the approval by the Advisory Committee of the required Qualified Replacement.

Within 180 days after a Key Person Event, if a Qualified Replacement is not approved by the Advisory Committee, 67% in interest of the Investor Members (excluding Member Affiliates) may elect to terminate the Investment Period and, thereafter, may elect to reinstate it at any time. If the Advisory Committee is not constituted, Qualified Replacement decisions will be presented instead to the Investor Members and determined by Investor Member Approval.

Other Interests of the Adviser, Managing Member or Key Persons

The Managing Member, the Adviser and the Key Persons can and will have other business interests, which may include the management of other real estate funds with similar objectives to the Company. The Managing Member, Adviser and Key Persons shall not, except with the prior consent of the Advisory Committee or the Investor Members, act as the manager of or investment adviser to a new investment fund with the same investment objectives as those of the Company (excluding parallel vehicles, co-investment vehicles or AIVs) at any time prior to earliest to occur of: (i) the date on which the Company has closed on at least 75% of the maximum offering amount; (ii) the Final Closing; and (iii) the termination of the Company; provided, however, that the Managing Member shall be permitted to create, and the Adviser shall be permitted to advise, other funds managed at the request of a third party that own assets identified by that third party, and any fund or vehicle formed to make investments that would be precluded or materially limited by the limitations set forth in or other requirements of the Operating Agreement or applicable law or regulation (taking into account committed and reasonably reserved amounts), as determined in the Managing Member's sole discretion. The Managing Member, the Adviser and the Key Persons may manage funds with different objectives than those of the Company, including other opportunity zone funds, funds intended to generate low-income housing tax credits or other housing tax credits or historic credits, and funds whose primary objective is the acquisition, enhancement and preservation and the development of affordable housing or workforce housing. Each Managing Member Affiliate may also sponsor, manage and advise (a) any parallel vehicle; (b) any AIV or co-investment vehicle related to the Company; (c) any vehicle managed at the request of a third party that owns assets identified by that third party; or (d) any fund or vehicle formed to make investments that would be precluded or materially limited by the limitations set forth in or other requirements hereof or applicable law or regulation (taking into account committed and reasonably reserved amounts), as determined in the Managing Member's sole discretion.

Resignation or Removal of the Managing Member

The Managing Member may resign from the Company upon notice to the Investor Members. The removal of the Managing Member pursuant to the terms of the Operating Agreement, may also constitute resignation.

The Managing Member may only be removed from its position as the managing member of the Company for "Good Cause" by 80% in interest of the Investor Members, excluding Managing Member Affiliates and defaulting Investor Members. The term "Good Cause" means an action or inaction by the Managing Member that has been finally determined by a court of competent jurisdiction to constitute the following: (i) gross negligence, (ii) willful misconduct, (iii) fraud, (iv) bad faith, or (v) a material breach of the Operating Agreement; provided that (A) in each case of (i) – (v), such event shall not be cause for removal unless it reasonably could be expected to have a material adverse effect on the Company; (B) no such event described in (i) – (v) above will constitute Good Cause if timely refuted by the Managing Member in accordance with the provisions of the Operating Agreement, subject to the reasonable approval of (and after written notice provided to) a majority-in-interest of the Investor Members (other than Managing Member Affiliates and Investor Members who have defaulted on their obligations to pay Capital Commitments); and (C) any event referred to in clauses (i), (v) and (vi) will not constitute Good Cause if it is timely cured, in accordance with the provisions of the Operating Agreement, after the receipt by the Managing Member of written notice of such event from a majority-in-interest of the Investor Members (other than Managing Member Affiliates and Investor Members who have defaulted on their obligations to pay Capital Commitments).

Following its removal or resignation, the Managing Member will be paid an amount equal to the Asset FMV of its Membership Interests (determined in accordance with the Operating Agreement). The resulting amount will be payable to the removed Managing Member no later than 90 days following the date of the final termination and liquidation of the Company.

TERMS OF THE OFFERING

We are offering up to $125,000,000 of membership interests in the Company. The minimum investment amount generally will be $150,000, but we reserve the right to accept smaller subscriptions in our sole discretion. Investors are required to make their investment in cash concurrently with their subscription. We will return subscription funds, without interest thereon or deduction therefrom, to any Investor whose subscription is not accepted.

We are primarily seeking investors with capital gains from sales or exchanges of any property to an unrelated party that accrued within a 180-day period that generally begins with such sale or exchange, but may begin later, depending on the nature of the property and whether the gain arose inside a pass through entity such as a partnership, or any other gains future legislation or regulation allows for Opportunity Zone investing. We may, however, accept investors that seek to invest in Opportunity Zones because they believe it is a good investment proposition without obtaining any tax benefits. Investors may invest the proceeds from such sales or exchanges into the Company if those proceeds were within the above described 180-day period and defer the capital gains tax on the proceeds until as late as December 31, 2026 if such investments are made in accordance with Section 1400Z-2 of the Code. The Company intends to deploy invested funds from eligible capital gains as quickly as possible following receipt from investors in order to comply with the 90% Requirement. However, the Company's ability to invest the monies received from investors timely in order to meet the 90% Requirement depends on a variety of factors, and if the Company is not able to satisfy the requirement, the Investor may incur a penalty. (See "Risk Factors.") Additionally, we may accept funds from investors that are not from eligible capital gains, however such funds would not be entitled to the same tax benefits (including the Initial Gain Deferral and 10-Year Gain Exclusion) as investors who timely invest eligible capital gains may receive. Regardless of how many investors invest eligible capital gains in the Company, we will use our reasonable best efforts to comply with the requirements applicable to maintain status as a QOF. (See "U.S. Federal Income Tax Considerations—Qualifying the Company as a Qualified Opportunity Fund.")

Investors who wish to make an investment may do so by completing and signing the Counterpart Signature Page to Operating Agreement and the Subscription Documents, which will be sent separately, and delivering to the Company the completed materials. The Managing Member has no obligation to accept any subscriptions or to monitor compliance with the 180-Day Requirement, and may refuse to accept a subscription for any reason. However, the Managing Member (a) will use reasonable efforts to call capital from accepted subscribers, and close, on or before the time they have informed the Managing Member that their 180-day period will expire and (b) intends to call all or substantially all of the subscriber's Capital Commitment at such closing. See "Plan of Distribution" below for a description of how capital will be called from subscriptions that are accepted.

We may reject or accept, in whole or in part, any prospective investor's subscription agreement. Subscriptions will be rejected for failure to conform to the requirements of the Offering, insufficient documentation, over-subscription of the Offering, or for such other reasons as we may determine in our sole discretion. Investors who have tendered their subscription proceeds may not withdraw their subscriptions, even if we have not yet accepted the subscription.

All Organizational Expenses in an amount not to exceed $500,000 will be borne by the Company. In addition to these Organizational Expenses, the Company will pay the Broker out of the proceeds of the Offering the Placement Fee.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, SECURITIES AS TO ANY PERSON OR ENTITY UNLESS AND UNTIL WE HAVE DETERMINED (IN OUR SOLE DISCRETION) THAT SUCH PARTY POSSESSES THE REQUIRED QUALIFICATIONS. EACH INVESTOR WILL BE REQUIRED TO MAKE CERTAIN REPRESENTATIONS TO US, INCLUDING REPRESENTATIONS AS TO INVESTMENT INTENT, DEGREE OF SOPHISTICATION, ACCESS TO INFORMATION CONCERNING US AND THE INVESTOR'S ABILITY TO BEAR THE ECONOMIC RISK OF THE INVESTMENT.

PLAN OF DISTRIBUTION

Up to $125,000,000 of Membership Interests will be offered and sold on a "best efforts" basis through the Managing Member and its officers, directors and employees, the Broker and the Selling Group. In May 2019, we entered into an exclusive Broker Agreement with the Broker to act as our Broker with respect to this Offering. Under the Broker Agreement, the Company will pay, or will cause the investors to pay, the Broker a one-time fee of 1% of all gross proceeds in the Offering sold through it. This fee will be borne by the investors. The Managing Member has also agreed to pay the Broker additional amounts that will be borne solely by the Managing Member.

The minimum investment per subscriber is $150,000, subject to Managing Member's right to accept lesser amounts in its sole discretion. The initial closing shall occur at such time that shall be determined in the Managing Member's sole discretion. Our Managing Member and its officers, directors, and employees will not be compensated for the offering or sale of the Membership Interests. The Company will pay all expenses associated with this Offering, subject to a cap of $500,000 of total expenses and except for certain brokerage fees that would be paid by Managing Member Affiliates, whether or not any investments are made, including all expenses incident to filings with federal and state regulatory authorities, fees and disbursement of our legal counsel, marketing expenses and all costs of printing this Memorandum.

The Managing Member and the Managing Member Affiliates collectively have pledged to purchase no less than 2.5% of all Membership Interests. Our Managing Member shall have the right to acquire Membership Interests for itself and allow Membership Interests to be acquired by the Managing Member Affiliates and their respective employees, officers or its Affiliates, all for investment purposes only and not with a view towards distribution or resale.

Sales of Membership Interests will be made in one or more closings. The final closing shall occur on the earliest of (a) the date on which the maximum amount of Membership Interests has been sold, (b) the date on which the Managing Member, in its sole discretion and without further notice to investors, determines to conclude the offering and (c) the twenty-four month anniversary of the first closing. Each Investor Member will contribute any unfunded portion of its Capital Commitment when and as called by the Managing Member upon at least 10 days' prior written notice, or as otherwise agreed to by the Managing Member and such Investor Member. While Capital Contributions may be paid in installments on a pro rata basis, the Managing Member intends to call all or substantially all of that capital at the applicable closing. The Managing Member may arrange for Capital Commitments to be contributed in any other fashion, including installments which are not drawn pro rata to Capital Commitments. The Managing Member may undertake such arrangements in order to facilitate an Investor Member's eligibility to receive the tax benefits of investing in an QOF, or for any other tax, legal, or regulatory reason. Each Capital Contribution to the Company must be made by wire transfer of immediately available funds to an account designated by the Managing Member. An Investor Member's Capital Commitment is irrevocable, and the failure by an Investor Member to make any required payment following a call by the Managing Member will make the defaulting Investor Member liable to substantive penalties.

Any Investor desiring to engage separate legal counsel in connection with this Offering will be responsible for the fees and costs of such separate representation.

SECURITIES LAWS AND REGULATIONS

United States Securities Act of 1933

The Membership Interests have not been and will not be registered under the Securities Act. Membership Interests are offered in the United States in reliance upon the exemption from registration under the Securities Act provided by Section 4(a)(2) thereof and Regulation D promulgated thereunder. Each prospective investor must be an "accredited investor," as defined in Regulation D, and will be required to represent, among other customary private placement representations, that it is making its investment in the Company for its own account for investment purposes only and not with a view to resale or distribution. Membership Interests may not be transferred or resold except as permitted under the Operating Agreement and unless registered under the Securities Act, and applicable state securities laws, or pursuant to an exemption from such registration.

Investment Company Act of 1940

The Company is not registered and does not expect to register as an investment company under the Investment Company Act. If the Company were considered an "investment company" within the meaning of the Investment Company Act, it would be subject to numerous requirements and restrictions relating to its structure and operation. If it were required to register as an investment company under the Investment Company Act and to comply with those requirements and restrictions, it would have to make significant changes in its proposed structure and operations, which could adversely affect its business.

Due to the complexities involved in the interpretation of the Investment Company Act, there can be no assurance that the Company's eligibility for exclusion from regulation under the Investment Company Act will not be challenged. Should an exclusion cease to be available, the Company and the Managing Member could be subject to legal action by the SEC and others, possibly resulting in financial losses to the Company and the termination of the Company's business.

Although the Managing Member believes registration and regulation under the Investment Company Act would impair the Company's ability to achieve its investment objectives, the Investment Company Act does provide protections that will not be available to investors in the Company. For example, a registered investment company must have a board of directors, a majority of which, as a practical matter, must be independent of its investment adviser, and is restricted in its relationship with and compensation to its affiliates (such as the Managing Member) and in its capital structure. In addition, the Investment Company Act requires an investment company to state definite policies as to certain enumerated types of activities and, in some cases, forbids the investment company from changing those policies without shareholder approval.

Investment Advisers Act

Neither the Managing Member nor any of its affiliates is registered with the SEC as an investment adviser under the Advisers Act. The Managing Member intends to file an abbreviated version of Form ADV with the SEC to qualify as an exempt reporting adviser under the private fund adviser exemption. Accordingly, the Managing Member expects that, unless the Managing Member registers under the Advisers Act in the future, Investor Members will not be entitled to the

protections under the Advisers Act that investors would have if the Managing Member was so registered, such as recordkeeping requirements, the requirement to use a qualified custodian and limitations on performance fees. Furthermore, exempt reporting advisers tend to be examined by the SEC less frequently than registered investment advisers and generally have less oversight by the SEC than registered investment advisers.

Commodity Exchange Act

If the Company is to invest in any instruments which could be deemed to be commodity interests as defined in the CFTC regulations, such as physical interest rate swaps, certain interest rate hedges and certain currency hedges, the Company intends to first claim an exemption from registration with the CFTC and the National Futures Association as a commodity pool operator pursuant to CFTC Rule 4.13(a)(3), with a corresponding exemption for the Managing Member from registration as a commodity trading advisor. This exemption requires that either: (i) the aggregate initial margin, premiums, and required minimum security deposits required to establish commodity interest positions, determined at the time the most recent position was established, will not exceed 5% of the liquidation value of the Company's portfolio; or (ii) the aggregate net notional value of the Company's commodity interest positions, determined at the time the most recent position was established, does not exceed 100% of the liquidation value of the Company's portfolio, in each case after taking into account unrealized profits and unrealized losses on any such positions the Company has entered into. This exemption also requires, among other things, that each investor meets certain sophistication criteria such as being an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act or a knowledgeable employee or qualified eligible person as specified in the CFTC regulations. Therefore, unlike a collective investment vehicle managed by a registered commodity pool operator, the Company will not be required to deliver a disclosure document and a certified annual report to investors, and members of the Company will not have the benefit of the other protections and disclosure provisions of the CFTC's rules and regulations.

Municipal Advisor Rules

Neither the Managing Member nor the Adviser is expected to register, and they do not intend to register, with the SEC as a municipal advisor under the Exchange Act. Accordingly, investors that are municipal entities or obligated persons, as defined under the Exchange Act municipal advisor rules, will be required to make representations that they are not utilizing proceeds of municipal securities or municipal escrow investments, as defined under the Exchange Act, to invest in the Company. Furthermore, investors that are municipal entities or obligated persons will not have the protections afforded by those provisions of the Exchange Act and will be required to make acknowledgments accordingly.

Money Laundering Prevention

Federal regulations and executive orders administered by OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of OFAC prohibited countries, territories, persons and entities can be found on the OFAC website at www.treas.gov/ofac. In order to comply with the OFAC restrictions and other anti-money laundering laws and regulations that may be

applicable to the Company, or the Managing Member, each investor, as a condition to becoming an Investor Member in the Company, will be required to represent, among other things that:

(i) it will provide any information deemed necessary by the Managing Member in its sole discretion to comply with its or the Company's anti-money laundering and anti-terrorist financing programs and related responsibilities from time to time;

(ii) it, each of its beneficial owners and any person having a beneficial interest in the Membership Interests is, (a) not an individual, entity or organization named on or prohibited under the OFAC list of "Specially Designated Nationals and Blocked Persons" or country sanctions; (b) not a foreign shell bank; and (c) not a person or entity resident in or whose subscription funds are transferred from or through a jurisdiction identified as non-cooperative by the Financial Action Task Force;

(iii) the monies to be invested in the Company were not derived from any activities that may contravene U.S. or non-U.S. anti-money laundering and anti-terrorist financing laws or regulations; and

(iv) it is not, and none of its beneficial owners are, a senior foreign political figure, an immediate family member of a senior foreign political figure or a close associate of a senior foreign political figure.

The Managing Member will not accept a subscription from an investor who is unable to make the foregoing representations.

As this is an evolving area of the law, the Company may adopt additional procedures and require additional information from members as the anti-money laundering and anti-terrorist financing laws, rules and regulations are further clarified.

LEGAL AND ACCOUNTING MATTERS

Nixon Peabody LLP served as legal counsel to an affiliate of the Managing Member in connection with this Offering. Nixon Peabody LLP may continue to serve in such capacity in the future, but has no obligation for the contents of or to update this Memorandum. Nixon Peabody LLP may continue to advise the Managing Member or an affiliate on an ongoing basis. Nixon Peabody LLP does not represent and has not represented the Company or the separate interests of the Investor Members or the prospective investors in the course of the organization of the Company, the negotiation of its business terms, the offering of the Membership Interests or in respect of its ongoing operations. ***Prospective investors must recognize that, as they have had no representation in the organization process, the terms of the Company relating to themselves and the Membership Interests have not been negotiated at arm's length.***

Nixon Peabody LLP's engagement by the Managing Member's affiliate in respect of the Company is limited to the specific matters as to which it is consulted by Managing Member Affiliates and, therefore, there may exist facts or circumstances which could have a bearing on the Company's (or the Managing Member's) financial condition or operations with respect to which Nixon Peabody LLP has not been consulted and for which Nixon Peabody LLP expressly disclaims any responsibility. More specifically, Nixon Peabody LLP does not undertake to monitor the compliance of the Managing Member and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does it monitor compliance with applicable laws. In this Memorandum, Nixon Peabody LLP has relied upon information furnished to it by the Managing Member, and did not investigate or verify the accuracy and completeness of information set forth herein concerning the Managing Member, its affiliates and personnel or the Company.

Nixon Peabody LLP may advise the Managing Member affiliate in matters relating to the operation of the Company on an ongoing basis. Nixon Peabody LLP may also serve as counsel to the Company or other investors in the Company from time to time. Investors in the Company, by becoming Investor Members, are acknowledging and consenting to such representations. Should a future dispute arise between the Company and Managing Member, the Company will retain separate counsel.

Novogradac & Company LLP will serve as the auditor to the Company at the initial closing, and is anticipated to serve as the auditor for the Company, subject to Managing Member's approval, in Managing Member's sole discretion.

SUITABILITY STANDARDS

Investors must meet certain qualifications. For example, we are not accepting investors that are not US persons for securities law purposes, and we are not accepting investors that are subject to the Employee Retirement Income Security Act of 1974, as amended, or ERISA, and we may determine, in the Managing Member's sole discretion, to only accept investors that are "qualified purchasers" under the Investment Company Act. The securities will be sold only to investors that qualify as "accredited investors" as that term is defined in Rule 501(a) of Regulation D under the Securities Act.

An "accredited investor" generally would meet one or more of the following criteria:

- The investor is an individual whose net worth, or joint net worth with that person's spouse, at the time of purchase exceeds $1,000,000 (exclusive of the value of such person's principal residence).
- The investor is an individual with income (without including any income of the investor's spouse) in excess of $200,000 or joint income (with the investor's spouse) of $300,000, in each of the two most recent years, and who reasonably expects to reach the same income level in the current year.
- The Investor is an entity with total assets in excess of $5,000,000 which was not formed for the purpose of investing in the Company, and which is one of the following, among other things:
    - a corporation;
    - a partnership;
    - a limited liability company; or
    - a business trust.
- The Investor is a personal (non-business) trust, other than an employee benefit trust, with total assets in excess of $5,000,000 which was not formed for the purpose of investing in the Company and whose decision to invest in the Company has been directed by a person who has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the investment.
- The Investor is licensed, or subject to supervision, by federal or state examining authorities such as a "bank," "savings and loan association," or "small business investment company" (as such terms are used and defined in 17 CFR §230.501(a)) or is an account for which a bank or savings and loan association is subscribing in a fiduciary capacity.
- The Investor is registered with the Securities and Exchange Commission as a broker or dealer or an investment company; or has elected to be treated or qualifies as a "business development company" (within the meaning of Section 2(a)(48) of the Investment Company Act, or Section 202(a)(22) of the Advisers Act.
- The Investor is an entity in which all of the equity owners are individuals or entities described above.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

Prospective investors should not construe the contents of this Memorandum or any prior or subsequent communication from us or from the Managing Member, their Affiliates, and employees or any professional associated with this Offering as tax advice. Each Investor should consult the own tax counsel and accountant as to tax matters concerning the investment. No representation or warranties of any kind are intended or should be inferred with respect to the tax consequences which may accrue from an investment in the Membership Interests. No assurance can be given that existing tax laws will not be changed or interpreted adversely. If the tax laws are changed or interpreted adversely, holders of our securities could fail to realize all or a portion of the economic or tax benefits contemplated by them. Capitalized terms not otherwise defined herein have the meaning given to such terms in Appendix A.

This summary of certain aspects of the U.S. federal income tax treatment of the Company is based upon the Code, the Treasury Regulations (including proposed and temporary regulations, where applicable) promulgated thereunder, judicial decisions, and rulings, all as in existence on the date hereof, and all of which are subject to change (possibly with retroactive effect). Except as otherwise noted below, this summary does not discuss the impact of various proposals to amend the Code which could change certain tax consequences of an investment in the Company.

This summary is necessarily general and does not purport to address the U.S. federal income tax consequences that may be relevant to a particular investor, to Investor Members that acquired Membership Interests other than for cash, to any Investor that acquired all or any portion of its Membership Interests in connection with the performance of services or otherwise as compensation, to any Investor that holds its Membership Interests other than as "capital assets," or to Investor Members that may be subject to special rules under the U.S. federal income tax laws (*e.g.* pass-through entities and their owners, members and partners, and persons that will hold Membership Interests as a position in a "straddle," as part of a "synthetic security" or "hedge," or as part of a "conversion transaction," "constructive sale transaction" or other integrated investment).

Finally, the summary does not cover the impact of any U.S. federal tax law other than the income tax law, the impact of the U.S. AMT, or the effects of any applicable foreign, state, or local laws. Each prospective investor should consult with its own tax advisor in order to fully understand the U.S. federal, state, local and foreign income tax consequences of an investment in the Company.

Introduction

The Basic Tax Incentives. The Opportunity Zone legislation was recently enacted as part of the TCJA. As discussed above, it provides a special tax incentive to encourage investing in low-income communities. The new rule encourages taxpayers to sell their appreciated capital assets and invest an amount equal to the resulting capital gain in one or more Opportunity Funds that, in turn, invest in Opportunity Zones.

To encourage these investments, the law provides three basic tax incentives:

- by timely investing an amount equal to the capital gain in an Opportunity Fund, an investor can receive Initial Gain Deferral;

- when recognized, the taxable gain generally will be reduced by 10% if the investment has been held for five years and an additional 5% if the investment has been held for seven years so long as those dates are prior to December 31, 2026 (collectively, the "Reduction in Taxable Gain"); and

- there will be no further tax on a sale of the Opportunity Fund investment if it is held for the 10-Year Gain Exclusion period.

Each Investor will be required to represent to the Company that (i) they are eligible for the tax incentives described above and (ii) they are reinvesting taxable gain into the Company within the appropriate 180-Day Requirement period.

Any gain deferred under the Initial Gain Deferral will be included in the income of each investor no later than December 31, 2026; accordingly, the Reduction in Taxable Gain may no longer be available if the requisite hold period has not elapsed with respect to the particular investment prior to December 31, 2026. Additionally, there is guarantee that any of the above tax incentives will continue to be available, particularly as the Opportunity Zone legislation is still new and potentially subject to change. As discussed below, QOFs are subject to a set of requirements to remain qualified as such; there is no assurance despite efforts by any Managing Member Affiliates that the Company will remain qualified as a QOF.

Current Guidance. The applicable statutory law consists of two sections of the Internal Revenue Code, Sections 1400z-1 and 1400z-2 which, in turn, refer to other tax code sections, an Internal Revenue Service website with "frequently asked questions," two sets of recently published "proposed regulations," and two revenue rulings. The proposed regulations can be found at https://www.govinfo.gov/content/pkg/FR-2018-10-29/pdf/2018-23382.pdf and https://www.govinfo.gov/content/pkg/FR-2019-05-01/pdf/2019-08075.pdf. The IRS has identified additional areas where it anticipates issuing additional regulations, and it has also encouraged advice and comment from taxpayers and their advisors as to many relevant issues. Accordingly, it is likely that there will be further additions and changes to the rules in the coming months and years. Potential investors should recognize that there is little in the way of "typical" investing or deal structures, and that structures that the Company may use in the near future may be modified or changed entirely as additional guidance is issued and studied. Furthermore, this lack of guidance regarding some provisions of the legislation means that there is substantial uncertainty regarding how to comply with all of the requirements and that there can be no assurance that the Investor Members will enjoy the benefits of the Reduction in Taxable Gain or the 10-Year Gain Exclusion.

Taxation of QOF. Even though it expects to qualify as an Opportunity Fund for federal income tax purposes, the Company will still be taxed as a partnership for federal income tax purposes. Accordingly, it will prepare a partnership tax return, and allocate its income, losses, credits, and other tax items among the Investor Members in accordance with its partnership agreement and applicable tax law. A summary of the tax laws that apply to partnerships appears below. In particular, the special tax rules that apply to Opportunity Zones and Opportunity Funds will ***not***

limit or eliminate the Company's taxable income, if any, at the entity level, and Investor Members will get annual tax returns that may show income or which the Investor may owe tax, depending on the particular facts.

Designation of Qualified Opportunity Zones. A qualified Opportunity Zone is a population census tract that is a low-income community (as defined in Section 45D(e) of the Code) or certain other census tracts adjacent to a low-income community which was nominated as a qualified Opportunity Zone by the chief executive officer of a State or possession of the United States and certified by the United States Department of the Treasury. The designation period is now over; absent a change in law, there will be no further designations. In total, there are 8,700 Opportunity Zones, which is about 11 percent of all census tracts. IRS Notice 2018-48 (https://www.irs.gov/pub/irs-drop/n-18-48.pdf) provides a complete list, and maps of the census tracts that have been designated as Opportunity Zones can be found on the U.S. Community Development Financial Institutions Fund website, at https://www.cims.cdfifund.gov/preparation/?config=config_nmtc.xml.

Opportunity Zone Rules in Greater Detail

The Initial Gain Deferral. The Opportunity Zone rules provide for a deferral until December 31, 2026, of federal income tax on an Investor's gain from the sale to, or exchange with, an unrelated person (as defined in Section 1400Z-2(e)(2) of the Code) of any property held by the Investor, provided an amount equal to such gain is invested in the Company within a 180-Day Requirement period that generally commences of the date the property was sold or exchanged. There is a special exception for (i) initial gains recognized by partnerships; either the partnership or its partners can be the investor in an Opportunity Fund, and if it is the partners, their 180-Day Requirement period can begin far later, with the end of the partnership's tax year, which will often be December 31 of the year that resulted in the gain. In addition, in the case of gains and losses associated with property used in a trade or business, gains and losses during the year must be netted, and if the resulting amount is positive, then this is considered a "Section 1231 gain," and the 180-day period also commences at the end of the tax year, which will often be December 31 of the year that resulted in the gain. If the Investor elects the Initial Gain Deferral with respect to a qualifying investment in the Company, the Investor must include in the gross income the lesser of the amount of gain subject to the Initial Gain Deferral or the fair market value of the Investor's Membership Interests on the date when the Initial Gain Deferral ends (i.e., December 31, 2026, or the date of the sale or exchange of the Membership Interests, if earlier), which amount is reduced by the Investor's basis in its Membership Interests at the time. As discussed below, the basis may be increased if the Membership Interests are held for certain specified periods.

Investing in an Opportunity Fund is quite different from undertaking a like-kind exchange. While each can delay the payment of tax associated with a transaction that would otherwise give rise to current tax liability, the tax treatments are quite different. To avoid tax with a like-kind exchange, a taxpayer must sell real estate and invest in other real estate. This is not the case with an investment in the Company; for example, an Investor can sell publicly traded stock or real estate, or even collectibles (provided the Investor is not a dealer), and if the sale generates a capital gain, the Investor can invest a corresponding amount in the Company, that might buy a broad range of trade or business property in compliance with the rules described below. A like-kind exchange requires a taxpayer to invest the "proceeds" of the sale; with an Opportunity Fund, the rules only

require the taxpayer to invest the gain. And finally, the like-kind exchange rules require careful tracing of the funds and often, the use of a "qualified intermediary" to hold the funds. That is not the case with an Opportunity Fund, such as the Company. An investor could use the same or different funds; it could even borrow the money that it then invests in the Company.

Increase in Basis; Reduction in Taxable Gain. An Investor's initial basis in the investment of moneys associated with a capital gain in the Company is zero, but it is increased by (a) 10% of the gain subject to the Initial Gain Deferral, if the Investor holds the investment in the Company for at least 5 years, and (b) an additional 5% (for an aggregate of 15%) of the gain subject to the Initial Gain Deferral, if the Investor holds the investment in the Company for at least seven years, provided that each of the 5- and 7-year dates are prior to December 31, 2026. Finally, if the value of the investment decreases, the investor recognizes a smaller amount, based on the value of the investment on the recognition date. It should be noted that many technical questions continue to be outstanding with respect to the computation of an Investor's basis and its application to the computation of taxable gain.

Example. Assume an Investor is a calendar year taxpayer, and she has $100,000 of gain from the sale of stock to an unrelated person on May 1, 2019, and she invests an amount equal to that gain in the Company (which has qualified as a QOF) on June 30, 2019, the Investor will ***not*** pay tax on the $100,000 of gain in 2019. If the Investor holds its investment in the Company until December 31, 2026, then, ***in general,*** $85,000 of the $100,000 of gain will be includible in the Investor's income for the calendar year 2026 and the other $15,000 of gain will remain untaxed, because the Investor will have held the investment in the Company for more than seven years. However, if the Investor sells or exchanges its interest in the Company on May 31, 2023 (less than five years from the date of the investment in the Company), the Investor will pay tax on all $100,000 of the deferred gain in 2023. Alternatively, if the Investor sells or exchanges its interest in the Company on May 31, 2024 (more than five years, but less than seven years from the date of the investment in the Company), the Investor will pay tax on $90,000 of the deferred gain in 2024. This is because only the 10% basis increase will have taken effect at that time. The proposed regulations also describe a lengthy list of possible "inclusion events," such as gifts, which can also accelerate the recognition of the deferred gain. Investors are urged to consult with an expert in Opportunity Zones before undertaking any transaction that involves changing the owner of their Interest, or which might be characterized as an inclusion event.

Payment of Tax on the Initial Gain Deferral. Even after the deferral, if the original transaction would have given rise to short term capital gains (generally taxed at higher rates for individuals), the subsequent recognition will also be taxed as short term capital gains (even if the Investor has held its interest in the Company for more than one year) in the year that the gain is recognized, and the gain will be taxed at the then applicable tax rates. Computation and payment of the tax will be made by the Investor. The Company is not agreeing to pay, or making arrangements to pay, fund, or distribute the Investor's deferred tax liability, nor is it making any arrangements for a lender or loan facility to enable the Investor to make this payment when it comes due. It should also be noted that when the gain is included in income, there can be no assurance of the tax rate that will apply to the gain; it may be higher or lower than the rates that apply at the time of the original sale or exchange, and the rate at the later date, when the deferred gain is included in income, is expected to apply.

The 10-Year Gain Exclusion. If an Investor holds its interest for at least 10 years, and then sells or exchanges ***the interest*** with an unrelated person, and the Investor elects the 10-Year Gain Exclusion, then the Investor's basis in that interest will be equal to the fair market value of the Investor's Membership Interest on the date the Membership Interest is sold or exchanged as described in Section 1400Z-2(c) of the Code. Thus, by way of example, if the Investor in the preceding example (regarding how the Initial Gain Deferral works), holds its investment in the Company until June 30, 2029 (or later), on which date it sells its Membership Interests, the Investor's basis in the Membership Interests will equal the fair market value of the Membership Interests on June 30, 2029 (or later). Accordingly, if the Membership Interests are sold for fair market value and the Investor makes an election to apply the 10-Year Gain Exclusion, no tax will be owed on any appreciation in value of the Company (and alternatively, no loss will be recognized).

The proposed regulations provide that a sale by the Company of its assets can also benefit from the 10-year Gain Exclusion if made after the particular investor has held its interest for at least 10 years, and an election is made. It is not clear whether this rule applies to a sale of property by a partnership in which the Company invests. If the Company sells an investment, or an entity in which the Company invests sells a property prior to the end of the 10-year period, or an election is not made then any gain or income from the sale will be allocated to the Company's investors in accordance with ordinary principles of partnership taxation.

With these rules in mind, the Managing Member is authorized to arrange a sale of all interests in the Company, with all of the Investor Members agreeing to join in such sale and executing the appropriate documents when requested. As noted above, interests in the Company are illiquid, and there can be no assurance that an Investor will be able to sell its interest in the Company or that a sale by the Investor Members will result in as favorable a sales price as the Company selling its assets and distributing the proceeds.

Qualifying the Company as a Qualified Opportunity Fund

Qualified Opportunity Zone Business Property. To qualify as a QOF, 90% of the Company's assets must be "qualified opportunity zone business property." This consists of two kinds of investments:

> *Direct investments* in tangible business assets, which must be in Qualified Opportunity Zone Business Property.
>
> *Indirect investments* in subsidiary business entities, either:
>
> (i) Qualified Opportunity Zone Stock; or
>
> (ii) Qualified Opportunity Zone Partnership Interests.

The entities in which Indirect Investments are made are sometimes referred to as "subsidiary entities." As discussed below, Qualified Opportunity Zone Stock and Qualified Opportunity Zone Partnership Interests represent investments in entities for which "substantially all" of the entity's tangible assets must meet a definition similar to the definition of Qualified Opportunity Zone Business Property, as well as comply with a series of additional requirements. Because the IRS

has defined "substantially all" for this purpose to be 70% (as opposed to the 90% requirement that applies to direct investments), it is anticipated that many of the investments made by the Company will be Indirect Investments in subsidiary entities. Still, as described below, there are additional limitations on the activities of subsidiary entities owned by a QOF which may affect that choice, or which may be affected by future changes in the IRS guidance or the applicable Code provisions. In particular, direct investments can be made in assets that are used in a "trade or business," while Indirect Investments must be made in a subsidiary entity that is engaged in an "***active*** trade of business."

Terms Relevant to Investments By QOFs.

Qualified Opportunity Zone Business Property is relevant to direct investing by an Opportunity Fund, and it is defined in Section 1400Z-2(d)(2)(D) of the Code as tangible property used in a trade or business of the Opportunity Fund if (i) the property was acquired by the Opportunity Fund by purchase from an unrelated party (as defined in Section 179(d)(2) of the Code) after 2017, (ii) the original use of the property in a qualified opportunity zone commences with the Opportunity Fund or the Opportunity Fund substantially improves the property (which essentially requires the Opportunity Fund to invest more than the purchase price in the improvements), and (iii) during substantially all of the Opportunity Fund's holding period of the property, substantially all of the use of the property was in a qualified opportunity zone.

Qualified Opportunity Zone Stock is defined in Section 1400Z-2(d)(2)(B) of the Code as any stock in a domestic corporation if the stock is acquired after 2017 at its original issue solely in exchange for cash, the corporation is a qualified opportunity zone business (or if new, is organized for purposes of being a qualified opportunity zone business) at the time the stock is issued, and during substantially all of the Company's holding period of the stock, the corporation qualifies as a qualified opportunity zone business.

Qualified Opportunity Zone Partnership Interest is defined in Section 1400Z-2(d)(2)(C) of the Code as any capital or profits interest a domestic partnership if the partnership interest is acquired after 2017 from the partnership solely in exchange for cash, the partnership is a qualified opportunity zone business (or if new, is organized for purposes of being a qualified opportunity zone business) at the time the partnership interest was issued, and during substantially all of the Company's holding period of the interest, the partnership qualifies as a qualified opportunity zone business.

Qualified Opportunity Zone Business is relevant to indirect investing, and refers to a business run by a subsidiary entity in which the Opportunity Fund It has a definition that is similar to the definition of Qualified Opportunity Zone Business Property, with one important change: it is a trade or business in which ***substantially all of the tangible property owned or leased by the taxpayer*** is acquired by the qualified opportunity zone business by purchase (as defined in section 179(d)(2)) after December 31, 2017, the original use of such property in the qualified opportunity zone commences with the qualified opportunity business or the qualified opportunity zone business substantially improves the property, and during substantially all of the qualified opportunity zone business's holding period for such property, substantially all of the use of such property was in a qualified opportunity zone. As noted above, for this purpose, the proposed regulations define substantially all to be 70%.

Additionally, to qualify as a qualified opportunity zone business, (1) at least 50% of the trade or business's total gross income must be derived from the ***active*** conduct of a qualified business in an Opportunity Zone, (2) a substantial portion of the trade or business's intangible property must be used in the active conduct of the business, (3) less than 5% of the trade or business's average unadjusted basis in its property may be nonqualified financial property (which is defined in the Code to include not only certain types of financial assets and cash, but also partnership interests and stock) and (4) a qualified opportunity zone business cannot include the operation of any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

The combination of the foregoing rules means that notably different rules apply to trades or businesses that the Company may own directly as compared to indirectly, through a subsidiary partnership or corporation. These differences will affect the Company's analysis of how to acquire and operate its investments.

Substantial Improvement to Used Property, New Construction, and the Safe Harbor. As noted above, if an Opportunity Fund or a Qualified Opportunity Zone Business acquires used tangible property then the property will only comply with the requirements if it makes "additions to basis" within any 30-month period after acquisition greater than the basis in the property at the start of the 30-month period. Basis in land does not count for this purpose.

The proposed regulations provide a "safe harbor" -- if a property is newly constructed or rehabilitated by an indirect entity within a 31-month period in substantial compliance with a written plan, then any cash that the entity holds awaiting use in the new construction or rehabilitation is not nonqualified financial property, and the entity will generally be considered engaged in an active trade or business during the construction or rehabilitation. As an example, this safe harbor generally provides a 31-month window in which to construct or rehabilitate a building held by a subsidiary entity. The proposed regulations provide that used property does ***not include*** property not yet depreciated by anyone (e.g., an about to be finished building that the O-Fund buys from someone else before it is placed in service), property not yet placed in service in the zone (e.g., computer equipment moved from elsewhere), and real estate that is previously used, but has been vacant for at least five years.

Active Trade or Business in the Zone. In the case of businesses that are operated by Subsidiary Entities, which is how the Company expects that most businesses will be operated, they must establish that at least 50 percent of their gross income is derived from the active conduct of a trade or business in the qualified opportunity zone. The proposed regulations generally provide that leasing is an active trade or business, but they also provide an exception: mere triple net leasing is not an active trade or business. In addition, when it comes to establishing that the entity's business is in the zone, the "active trade or business in the zone" test now calls for one of four tests to be passed. The first two tests are a 50 percent computation related to providing services, based on hours billed by or compensation paid to employees and independent contractors inside and outside the zone. This may be overcome by the third test, which considers tangible property and significant management function in the zone. Finally, the business can apply a "facts and circumstances" test. The Company and the Subsidiary Entities in which it invests will attend to these tests to make sure that one or more of the relevant tests is passed.

Filings, Elections, and Penalties that Apply to QOFs

Forms and Elections. The Company shall take all steps reasonably necessary to certify to the IRS its status as a QOF by completing a Form 8996, and attaching that form to the Company's timely-filed federal income tax return for each taxable year. Similarly, elections must be made by Investor Members in order to qualify for the Initial Gain Deferral and the 10-Year Gain Exclusion. The forms of certain of these elections have not been provided yet. Note that the Company will not be making the Investor's elections, and there is no procedure or rule for it to make the elections on behalf of an Investor. Investor Members should assure that they, or their professional tax advisor(s), make timely elections, where applicable.

Penalty for Failure to Meet Requirements. If the Company, as a QOF, fails to meet the 90% Requirement, the Company will be required to pay a penalty for each month of the failure to the extent the amount of assets held by the Company in Qualified Opportunity Zone Business Property falls below 90% multiplied by the underpayment rate established under Section 6621(a)(2) of the Code for the month, which amount is to be taken into account proportionately as part of the distributive share of each Member of the Company. The underpayment rate for the fourth calendar quarter of 2018 is 5% per annum. It is not clear how these monthly penalty payments will be calculated in light of the fact that the 90% Requirement is calculated twice per year. Also, the IRS publishes the underpayment rate quarterly, and there can be no assurance that the penalty rate will not increase. Section 1400z-2(f)(2) provides "in the case that the qualified opportunity fund is a partnership, the penalty imposed … shall be taken into account proportionately as part of the distributive share of each partner of the partnership." At this time, it is not clear whether this provision requires the penalty to be paid by the Investor Members, or merely reflects how the partnership will reflect any payments made in the computation of basis and capital accounts.

General Principles of Company Taxation

Company Status. The Company expects to be treated as a partnership, and not as an association taxable as a corporation, for U.S. federal income tax purposes. As a partnership for federal income tax purposes, the Company itself will not be subject to U.S. federal income tax.

Publicly Traded Company. Under Section 7704 of the Code, "publicly traded partnerships" ("PTPs") are generally treated as corporations for federal income tax purposes. It is intended that the Company will be operated in a manner the that it will not be treated as a PTP.

Consequences of Treatment as an Association Taxable as a Corporation. If, for any reason, the Company were to be treated as an association taxable as a corporation (including if the Company were to be treated as a PTP as discussed above), it would be subject to U.S. federal income tax (at regular corporate tax rates) on its income, without any deduction for distributions made to its beneficial owners, thereby potentially reducing materially the amount of cash available for distribution. In addition, capital gains and losses and other income and deductions of the Company would not be passed through to its beneficial owners, the owners would be treated as shareholders for U.S. federal income tax purposes and distributions to the owners (to the extent of current or accumulated earnings and profits) would be treated as a taxable dividend, resulting in taxable income for U.S. Investors. The Company's treatment as a corporation for U.S. federal income tax purposes would result in a material reduction in the anticipated cash flow and after-tax return to

the investors and therefore would likely result in a substantial reduction in the value of the Membership Interests.

The remainder of this discussion assumes that the Company will at all times be treated as a partnership for U.S. federal income tax purposes.

U.S. Investors

The discussion in this section outlines certain material U.S. federal income and other tax principles that may apply to Investor Members who are U.S. citizens or resident individuals, or a corporation, limited liability company or partnership organized under U.S. law, an estate (other than an estate the income of which, from sources outside the U.S. that is not effectively connected with a trade or business within the US, is not includible in its gross income for US federal income tax purposes), and any trust if a court within the US is able to exercise primary supervision over the administration of a trust and one or more U.S. Persons have the authority to control all substantial decisions of the trust (collectively, "U.S. Investors") given the anticipated nature of the Company's activities. Except where specifically addressing considerations applicable to tax-exempt investors, the discussion assumes that each U.S. Investor is a U.S. citizen or resident individual or a U.S. domestic corporation that is not tax-exempt. In some cases, the activities of a U.S. Investor other than the investment in the Company may affect the tax consequences to the Investor of an investment in the Company.

General. Each U.S. Investor will be required to report on the U.S. federal income tax return, and thus to take into account in determining its U.S. federal income tax liability the allocable share of the Company's items of income, gain, loss, deduction, and credit for the taxable year ending within or with the investor's taxable year, generally as if these items had been recognized directly by that Investor. These tax items generally will have the same character (ordinary or capital, short-term or long-term) in the hands of each U.S. Investor as they have in the hands of the Company. A U.S. Investor will be taxed on the share of the income of the Company without regard to whether the Company makes a corresponding distribution of cash or other property to the investor. In addition, certain investments held by the Company may give rise to income subject to U.S. federal income tax even though there has been no corresponding receipt of money or property by the Company. Accordingly, a U.S. Investor's tax liability related to the Membership Interests could exceed the amounts (if any) distributed to the Investor in a particular year. U.S. Investors should ensure that they have sufficient funds from other sources to pay all tax liabilities resulting from their investment in the Membership Interests.

Allocations of partnership income and losses are valid under applicable Regulations if they meet the "substantial economic effect" test, or are made in accordance with a Member's interest in the Company. The Managing Member believes that the Company's method of allocating income and losses to the Members under the Operating Agreement complies with these Regulations. However, the Regulations are complex and lack significant administrative or judicial interpretation. There can be no assurance that the Regulations would not be interpreted by the IRS or a court of law in a manner materially adverse to the Members. If the allocations provided in the Operating Agreement are successfully challenged by the IRS, the redetermination of the allocations to any Member for federal income tax purposes may be less favorable than the allocations set forth in the Operating Agreement.

Tax Basis and Cash Distributions. See above for a discussion on the determination of basis for U.S. Investors who elect the Initial Gain Deferral. For other U.S. Investors, basis will generally be equal to the amount paid for the Membership Interest, increased by the Investor's allocable share of income and liabilities (if any) of the Company, and decreased, but not below zero, by the allocable share of distributions, losses, and reductions in the liabilities. Cash distributions received from the Company by a U.S. Investor (including deemed cash distributions arising from reductions in a U.S. Investor's share of the liabilities (if any) of the Company) are not reportable as taxable income by the U.S. Investor, except as described below. Rather, the distribution will reduce (but not below zero) the total tax basis of the Membership Interests held by the U.S. Investor after the distribution. Any cash distribution in excess of a U.S. Investor's adjusted tax basis for the Membership Interests will generally be taxable to the Investor as gain from the sale or exchange of the Membership Interests. Any gain recognized by a U.S. Investor on the receipt of a distribution from the Company generally will be capital gain, but may be taxable as ordinary income, either in whole or in part, under certain circumstances.

Distributions In-Kind. In general, a U.S. Investor will not recognize gain or loss on the distribution of property (other than cash and, unless an exception applies, marketable securities) and the tax basis of a U.S. Investor in any property distributed will be the same as the Company's tax basis but not in excess of the U.S. Investor's adjusted tax basis for the Membership Interests, reduced by any cash distributed in the transaction. A U.S. Investor who receives an in-kind distribution of property in liquidation of the Membership Interests will have a basis in the property equal to the U.S. Investor's adjusted basis in the Membership Interests, reduced by any cash distributed in the transaction.

Disposition Proceeds. Except as described above regarding a qualified Opportunity Zone investment in the Company held for the 10-Year Gain Exclusion, gain or loss on the sale or exchange of a U.S. Investor's Membership Interests will generally be taxable as capital gain or loss (except to the extent otherwise required under Section 751 of the Code). If the Membership Interests are sold on or before December 31, 2026, then some or all of the resulting gain may be considered long or short term in the same way as the gain which is represented by the investment; the regulations call for the use of first-in-first-out and pro rata methods for making this determination; after December 31, 2026, the gain generally will be long-term capital gain or loss because the U.S. Investor held the Membership Interests for more than one year. It is possible that a sale of an interest will also represent so-called "hot assets," such as rent receivables or depreciation recapture which could be taxed at ordinary rates. To date, the IRS guidance has not addressed the tax treatment of hot assets.

Limitations on the Deductibility of Losses and Expenses. Various provisions of the Code may apply to restrict the deductibility of capital and ordinary losses realized, or expenses incurred, by the Company. For example, the ability of U.S. Investors (other than widely held corporations) to deduct their shares of any losses attributable to the Company may be subject to the "passive activity loss" limitations and the "at risk" limitations of the Code.

Section 163(d) of the Code disallows a non-corporate taxpayer's deduction for "investment interest" in excess of "net investment income," as those terms are defined in Code Section 163(d). This limitation could apply to limit the deductibility of a non-corporate U.S. Investor's share of any interest paid by the Company, as well as the deductibility of interest paid by a non-

corporate U.S. Investor on indebtedness incurred to finance the Indirect Investment in the Company. Additionally, Section 704(d) of the Code prohibits a Member from claiming partnership losses in excess of the Member's adjusted basis in its partnership interest. This limitation will apply to both individual and corporate U.S. Investors.

Recently revised Section 163(j) of the Code limits the deductibility of business (for all taxpayers) interest to no more than the sum of (i) a taxpayer's business interest income for the tax year, (ii) 30% of the taxpayer's adjusted taxable income for the tax year (not below zero), and (iii) the taxpayer's floor plan financing interest, as each is defined in Section 163(j) of the Code. Recently, the IRS published proposed regulations with respect to Section 163(j).

The Code Section 163(j) limitation is applied at the partnership level, shall be taken into account in determining the non-separately stated taxable income or loss of the Company, and the adjusted taxable income of each Member of the Company shall be determined without regard to his, hers, or its distributive share of any items of income, gain, deduction, or loss of the partnership and shall be increased by his, hers, or its distributive share of the Company's excess taxable income. Interest deductions denied pursuant to Section 163(j) of the Code shall be carried forward and treated as business interest paid or accrued in the succeeding taxable year. The Code Section 163(j) limitation does not apply to business interest paid or accrued on indebtedness properly allocable to an "electing real property trade or business," which is any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business that irrevocably elects to be treated as an "electing real property trade or business." Any trade or business that makes an election to be an "electing real property trade or business" must use the alternative depreciation system as provided in Section 168(g)(1)(F), requiring depreciation of real property be taken using the straight-line method depreciation over a longer period as provided in Section 168(g)(2). It is unknown at this time whether the Company will qualify to elect (or would so elect, if qualified) to be treated as an "electing real property trade or business."

Subject to certain exceptions, all miscellaneous itemized deductions of an individual taxpayer, and certain of the deductions of an estate or trust, are deductible only to the extent that the deductions exceed 2% of the taxpayer's adjusted gross income. Moreover, the otherwise allowable itemized deductions of individuals whose gross income exceeds an applicable threshold amount are subject to phase out rules that may reduce or eliminate the individual's ability to deduct the expenses. The operating expenses of the Company, including the Management Fee, may be treated as miscellaneous itemized deductions subject to the foregoing rule. Alternatively, it is possible that the Company will be required to capitalize management fees. Non-corporate U.S. Investors should consult their own tax advisors with respect to the application of these limitations.

Syndication expenses that are attributable to the offering and sale of Membership Interests must be capitalized and added to the U.S. Investor's basis in the Membership Interests (and, hence, cannot be deducted or amortized). Other organizational expenses of the Company must generally also be capitalized, but may be amortized over a 180-month period.

3.8% Medicare Tax. A U.S. Investor that is an individual or estate, or trust that does not fall into a special class of trusts that is exempt from the tax, will be subject to a 3.8% Medicare tax on the lesser of: (i) the U.S. Investor's "net investment income" for the relevant taxable year and (ii) the

excess of the U.S. Investor's adjusted gross income (increased by certain amounts of excluded foreign income) for the taxable year over a certain threshold. It is anticipated that net income and gain attributable to an investment in the Company will be included in a U.S. Investor's "net investment income" subject to this Medicare tax, as well as net gain from a disposition of the U.S. Investor's Membership Interests. Net investment income may, however, be reduced by properly allocable deductions to the income.

U.S. Federal Income Taxation of Non-U.S. Investors

This section describes, in general terms, the U.S. federal income taxation of Investor Members who are not U.S. Investors ("Non-U.S. Investors") with respect to income derived by the Company. The rules governing the U.S. federal income taxation of Non-U.S. Investors are complex, and the IRS has not provided, and may never provide, any guidance addressing the interaction of these rules with the Opportunity Zone provisions. The following discussion does not address or consider all aspects of U.S. federal income tax of an investment in the Company and does not consider state, local, or non-U.S. tax consequences.

FDAP. Non-resident alien individuals and foreign corporations generally are subject to U.S. federal income tax on fixed or determinable, annual or periodic income ("FDAP") received from U.S. sources, including U.S. source dividends to the extent not effectively connected with the conduct of a U.S. trade or business. U.S. source FDAP generally is subject to a 30 percent U.S. tax applied to the gross amount (with no allowance for deductions) of FDAP unless a lower rate applies to the gross amount of FDAP under an applicable U.S. treaty. It is generally collected through withholding. In general, it is not anticipated that an investment in the Company will generate fixed or determinable, annual or periodic income.

ECI. Non-resident alien individuals and foreign corporations generally are also subject to U.S. federal income tax on their income that is effectively connected with the conduct of a U.S. trade or business ("ECI"). The taxable income of a non-resident alien individual or foreign corporation that is effectively connected with the conduct of a U.S. trade or business is subject to the same U.S. federal graduated rates of tax that apply to U.S. persons applied to taxable income (gross income less, in most cases, deductions). Taxable income is computed by claiming deductions that are connected with the effectively connected gross income on a timely filed return. A non-resident alien individual or foreign corporation that derives ECI (including amounts received as a partner is required to file a U.S. federal income tax return.

Withholding. As discussed in more detail below, a U.S. or foreign partnership generally is required to withhold U.S. tax under Code section 1446 with respect to effectively connected taxable income of the partnership derived through the partnership by foreign persons who are partners in the U.S. or foreign partnership. U.S. tax generally is required to be withheld quarterly by a partnership under Code section 1446 with respect to its foreign partners without regard to whether the partnership actually distributes any amounts to the foreign partners, and quarterly payments of Code section 1446 withholding tax generally are required to be deposited by a partnership using Form 8813 and reported to partners when deposited. The partners generally may take into account these payments in determining whether they are required to make any additional estimated tax payments, and may claim these amounts as credits against their U.S. federal income tax liability.

A partnership may be liable for failure to comply with the Code section 1446 withholding requirements, including failure to make timely quarterly payments, and failure to withhold the required amount (under withholding). Under section 1446, a partnership that has ECI allocable to a foreign partner generally must file an annual return with respect to the section 1446 withholding on Form 8804, and must file a separate Form 8805 with respect to each foreign partner. Gain on the disposition of a USRPI recognized by a non-resident alien individual or foreign corporation (including an amount derived as a partner through a partnership) is treated as gross income that is ECI and generally the taxable amount of such ECI (gain reduced by deductions) is subject to U.S. federal income tax at graduated rates. Such tax is referred to in this summary as the "FIRPTA Tax". FIRPTA Tax generally is not reduced under the U.S.-Canada Treaty. In addition, U.S. tax generally is required to be withheld, at different rates depending on the circumstances, under the FIRPTA Tax rules.

Amounts distributed to a partnership are taxable to its partners, based on each partner's share of the partnership income, at rates generally applicable to ECI. The amount withheld is without regard to a foreign person's ultimate tax liability, and the amount required to be withheld will not necessarily equal the foreign person's U.S. tax liability with respect to the taxable amount of that distribution. In addition to liability for regular federal income tax on ECI, a corporate Non-U.S. Investor that derives income that is (or is treated as) ECI (including amounts received as a partner through a partnership) may also be subject to U.S. branch profits tax. The U.S. branch profits tax generally is imposed at a rate of 30 percent, subject to reduction under an applicable tax treaty. Corporate Non-U.S. Investors should not be eligible for a reduced U.S. branch profits tax rate under the U.S.-Canada Treaty.

Gain from the disposition of its Membership Interests generally will be treated as gain from the disposition of a USRPI in determining the U.S. federal income tax liability of Non-U.S. Investors. Consequently, gain of a Non-U.S. Investor from a sale or exchange of its investment or gain recognized on a distribution by the Company in excess of the U.S. tax basis of the Investor's Membership Interests to the extent attributable to the Company's investment in real property generally will be subject to FIRPTA Tax as gain from the disposition of a USRPI. Effective for sales, exchanges and dispositions on or after November 27, 2017, the Act clarifies the law to provide that gain or loss from the sale, exchange or disposition of a partnership interest is gain or loss that is ECI to the extent that the transferor would be allocated ECI if the partnership were to sell all of its assets at fair market value as of the date of the sale, exchange or disposition and the resulting gain or loss allocated to the partner would be ECI. For this purpose, the ECI would have to be treated as being allocated in the same manner as the partnership's non-separately stated income and loss would be allocated.

An exception to gain recognition may apply to certain distributions. U.S. federal income tax withholding also may be required on a sale or exchange of Membership Interests by a Non-U.S. Investor, and may be required on the redemption by the Company of a Non-U.S. Investor's interest in the Company. Effective for sales, exchanges and dispositions after December 31, 2017, a transferee of a partnership interest is required to withhold 10% of the amount realized in such sale, exchange or disposition unless the transferor certifies to the transferee that the transferor is not a foreign person. If the transferee fails to withhold the correct amount, the partnership would be required to withhold from distributions to the transferee partner the amount that the transferee failed to withhold.

No assurance can be given that the IRS will approve a withholding certificate application. Following the change in corporate rates by the TCJA, the withholding rate applied to partnerships under sections 1445(e) and 1446(b) on FIRPTA gain allocated to a non-U.S. corporate partner is reduced from 35 percent to 21 percent. Partnerships still must withhold tax under section 1446 at the highest individual tax rate (37 percent) on FIRPTA gain allocated to a non-U.S. partners that are not corporations.

Corporate Non-U.S. Investors will not be subject to U.S. branch profits tax on gain from the sale or exchange of Membership Interests or on a distribution in excess of the U.S. tax basis in its Membership Interests. The amount withheld by the transferee may be credited against the Non-U.S. Investor's U.S. federal income tax liability if the transferee properly completes and files with the IRS a Form 8288 with a Form 8288-A that contains the Non-U.S. Investor's U.S. taxpayer identification number, and the Non-U.S. Investor attaches to its annual return the copy of the Form 8288-A that the IRS will stamp and send to the Non-U.S. Investor.

Non-U.S. Investors are required to file a U.S. federal income tax return to report any USRPI gain (i.e., Form 1040-NR for non-resident alien individuals and Form 1120-F for foreign corporations), without regard to whether amounts are withheld. The U.S. federal income tax returns generally must be filed no later than two years after the tax is withheld in order for any excess withholding to be recovered. The U.S. federal income tax treatment of the Company and its operations and investments will have a material effect on an investment in its Membership Interests.

Special Considerations for Tax-Exempt Investors

U.S. Investors that are Tax-Exempt Investors may be subject to tax on a part of their share of Company income, depending on the extent to which that income is characterized as UBTI. Generally, UBTI includes income or gain derived from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of the Tax-Exempt Investor's exempt purpose or function. Receipt of UBTI may subject charitable remainder trusts to severe income tax consequences, including subjecting all of their UBTI to a 100% tax. When computing UBTI, a Tax-Exempt Investor must include its share of income of any partnership of which it is a partner to the extent that the income would be UBTI if earned directly by the Tax-Exempt Investor. UBTI generally does not include dividends, interest, royalties, or gains from the sale, exchange, or other disposition of property (other than inventory or property held primarily for sale to customers in the ordinary course of a trade or business, the as the trade or business of a dealer). However, UBTI includes "unrelated debt-financed income," which is generally defined as any income or gains derived from property with respect to which "acquisition indebtedness" has been incurred, even if the income would otherwise be excluded in computing UBTI.

While the Company expects that a substantial portion of its income may consist of interest and gains from the sale or exchange of capital assets, the exclusion from UBTI for these items will not apply to the extent that any Tax-Exempt Investor incurs "acquisition indebtedness" with respect to its investment in the Company or the Company incurs "acquisition indebtedness" with respect to their investments. In addition, if the Company borrows to fund its investments, it is likely that Tax-Exempt Investors would realize UBTI as a consequence of an investment in the Company. Tax-Exempt Investors should consult their own tax advisors regarding the impact of the rules relating to UBTI on their investment in the Company.

Additional U.S. Tax Considerations

Adjustments to Basis of Assets. The Company may make an election under Section 754 of the Code to adjust the tax basis of the assets of the Company in connection with a transfer of Membership Interests and certain distributions by the Company. Because of the accounting complexities that can result from having an election in effect, and because the election, once made, cannot be revoked without the consent of the IRS, the Managing Member can determine whether to make a Section 754 election in its sole discretion. The Company also will generally be required, under certain circumstances, to reduce the basis of its assets in connection with certain transfers of Membership Interests and certain distributions. Additionally, if an Investor transfers his, her or its Membership Interests, (i) a subsequent purchaser of those Membership Interests will not receive any of the tax benefits with respect to the Company's investment in Qualified Opportunity Zone Business Property, discussed above, and (ii) the opportunity zone tax benefits, discussed above, for which an Investor may qualify may be significantly reduced if the Membership Interests are transferred prior to the tenth anniversary of the Investor's acquisition of the Membership Interests.

Information Returns and Schedules. The Company will provide information on Schedule K-1 (or equivalent) to U.S. Investors as soon as reasonably practicable following the close of the Company's taxable year. **The Company may not be able to provide this information before April 15. As a result, U.S. Investors may need to apply for an extension of time to file their U.S. federal, state, and local income tax returns**.

Audits. The Managing Member will decide how to report the Company items on the Company's tax returns. In certain cases, the Company may be required to file a statement with the IRS disclosing one or more positions taken on its tax return, generally where the tax law is uncertain or a position lacks clear authority. All Members are required under the Code to treat the Company items consistently on their own returns, unless they file a statement with the IRS disclosing the inconsistency. Given the uncertainty and complexity of the tax laws, it is possible that the IRS may not agree with the manner in which the Company's items have been reported. In the event the income tax returns of the Company are audited by the IRS, the tax treatment of income and deductions of the Company generally will be determined at the Company level in a single proceeding, rather than by individual audits of the U.S. Investors. The Managing Member has been appointed as partnership representative with the authority to determine the Company's response to an audit. The limitations period for assessment of deficiencies and claims for refunds with respect to items related to the Company is generally three years after the Company's return for the taxable year in question is filed, and the Managing Member has the authority to, and may, extend the period with respect to all Members. It is possible that the IRS will audit the information returns to be filed by the Company. If an audit results in an adjustment, each Member may be required to pay additional taxes, interest and possibly penalties and additions to tax. There can be no assurance that the Company's tax return will not be audited by the IRS or that no adjustments to the returns will be made as a result of an audit. If the IRS audits the tax returns of the Company, an audit of the Investor Members' own returns may result. The Company will bear the legal and accounting costs incurred in connection with any audit of the tax returns of the Company, but the Investor Members will bear the cost of audits of their own returns.

Other Tax Considerations

State and Local Taxes. U.S. Investors or the Company may be subject to various state and local taxes in jurisdictions in which the Company's investments are located and may be required to file tax returns in those jurisdictions. The Company may be required to withhold or pay state or local taxes if it, directly or indirectly, through a partnership or limited liability company, engages in business in certain states or localities. State and local tax laws may differ from U.S. federal income tax laws with respect to the treatment of specific items of income, gain, loss, deduction, and credit. Prospective investors are encouraged to consult their tax advisors regarding the state and local tax consequences of an investment in the Company.

Miscellaneous. Each Member will be required to indemnify the Company for all U.S. income and withholding taxes applicable to its allocable share of Company income. An investment in the Company involves complex tax considerations that will differ depending on the investor's particular circumstances. There can be no assurance that the structure of the Company or of any investment made through the Company will be tax-efficient for any particular investor.

The foregoing summary should not be considered to describe fully the income and other tax consequences of an investment in the Company. Prospective investors are strongly urged to consult with their tax advisors, with specific reference to their own situations, with respect to the potential tax consequences of an investment in the Company.

APPENDIX A

Table of Defined Terms

"10-Year Gain Exclusion" means the step-up in basis to fair market value that will generally result in the exclusion of tax on the sale of an Opportunity Fund investment that complies with the requirements of applicable law and which has been held for 10 years or more.

"180-Day Requirement" means investments by an Investor Member of capital gains from sales or exchanges of any property to an unrelated party within 180 days prior to investment in the Company, or any other gains future legislation or regulation allows for Opportunity Zone investing and such investments are an amount less than or equal to the gain from such sales or exchanges into the Company if those proceeds were from within the prior 180-day period beginning with the sale or exchange in the Company.

"90% Requirement" means the requirement that at least 90% of the Opportunity Zone Fund's assets are invested in Qualified Opportunity Zone Business Property.

"AAMC" means Alliant Asset Management Company LLC, a California limited liability company, an affiliate of ASI and ACL.

"ACL" means Alliant Capital, Ltd., a Florida limited partnership.

"Adviser" means Alliant Strategic Adviser, LLC, a Delaware limited liability company.

"Advisers Act" means the Investment Advisers Act of 1940, as amended.

"Advisory Committee" means a committee established by the Managing Member consisting of no less than three and no more than seven representatives of the Investor Members.

"Affiliate" means, with respect to a person, any other person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and with respect to each of the Managing Member and the Adviser, its partners, officers and employees (including the individuals listed in the definition of "Key Person Event"). The term "control" includes the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise. No entity in which the Company invests shall be deemed to be an Affiliate of the Company, the Managing Member or the Adviser, as applicable, solely as a result of the investment or as a result of any Affiliate of the Managing Member or Adviser serving as a director, managing member or manager of the entity.

"AIV" means an alternative investment vehicle.

"AMT" means alternative minimum tax under U.S. federal tax law.

"ASI" means Alliant Strategic Investments II, LLC, a Delaware limited liability company, which is the Sponsor.

"Asset FMV" means current fair market value of the Investment Property owned by the Company based on (i) at Stabilization, third party appraisals performed in connection with the refinancing of the Investment Property (or other appraisals, if there is no such refinancing), and (ii) thereafter, third party appraisals performed no less frequently than every four years for each Investment Property.

"AUP" means Agreed Upon Procedures Report analyzing the Fund's satisfaction of the 90% Requirement.

"Available Cash" means the excess of the Company's cash and cash equivalents over the amount of cash needed, determined in the Managing Member's sole discretion, to (i) service its debts and obligations (contingent or otherwise) to any person (including, without limitation, to any Member or his/her/its Affiliate), in accordance with their terms, (ii) maintain adequate capital and reserves for, by way of example and not of limitation, working capital and reasonably foreseeable needs of the Company (while not exceeding the amounts permitted to qualify as a Qualified Fund under the Qualified Opportunity Zone Code provision and Treasury Regulations), and (iii) conduct its business and carry out its purposes. Available Cash does not include the Capital Contributions of the Investor Members.

"Broker" means CommonGood Securities LLC, a FINRA and SIPC registered broker dealer registered as such with the Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority.

"Capital Commitment" means, with respect to any Member, that portion of the Member's aggregate Capital Commitment that has been or may be allocated to the Company by the Managing Member.

"Capital Contribution" means, the total amount of cash contributed to the Company by such Member pursuant to the terms of the Operating Agreement as of that date, without regard to any repayment thereof, which, for the avoidance of doubt, shall include any amounts that have been recalled pursuant to Section 4.13 of the Operating Agreement; provided, a Minimum Investment (as defined in the Operating Agreement) shall be required of each Investor Member, subject to Managing Member's right to accept lesser amounts in its sole discretion.

"Capital Event" means the direct or indirect sale, exchange, redemption, refinancing or other disposition by the Company of all or any portion of an Investment Property, which shall include the receipt by the Company of a liquidating dividend or other like distribution in cash on such Investment Property and shall also include the distribution in-kind of all or any portion of that Investment Property, as well as the condemnation or casualty of an Investment Property without restoration of all or a substantial part of such Investment Property.

"CFTC" means the U.S. Commodity Futures Trading Commission.

"Clawback Amount" means an amount equal to the lesser of (i) the Excess Carried Interest; and (ii) the aggregate amount of all amounts distributed to the Managing Member resulting from Capital Events over the Company's term, less the amount of any tax obligations, calculated at an assumed tax rate, attributable to allocations of taxable income to the Managing Member in respect thereof. In the event of removal of the Managing Member, its clawback liability shall be no greater than the Clawback Amount received by it through the effective date of its removal.

"Code" Internal Revenue Code of 1986, as amended.

"Company" means Alliant Strategic Opportunity Zone Fund I, LLC, a Delaware limited liability company and, to the extent applicable, Alliant Strategic Opportunity Zone Fund I, LLC together with any parallel vehicles, feeder vehicles or AIVs.

"Delaware Act" means the Delaware Limited Liability Company Act, as amended.

"Direct Investment" means an investment by the Company in tangible business assets constituting Qualified Opportunity Zone Business Property.

"Disabling Conduct" means an Indemnified Parties' fraud, willful misconduct, reckless disregard of duties, or a material violation of applicable U.S. securities laws in connection with the performance of an Indemnified Party's obligations under the Operating Agreement that has a materially adverse effect on the Company or the Investor Members as a whole.

"ECI" means income which is effectively connected with the conduct of a U.S. trade or business under Section 864 of the Code.

"Excess Carried Interest" means if the Managing Member is determined to have received greater than 25% of all distributions resulting from Capital Events.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"FDIC" means Federal Deposit Insurance Corporation.

"Final Closing" means the last date on which the Managing Member accepts Capital Commitments in the Company.

"FINRA" means the Financial Industry Regulatory Authority.

"FIRPTA Tax" means gross income that is ECI and generally the taxable amount of such ECI (gain reduced by deductions) is subject to U.S. federal income tax at graduated rates.

"Indemnified Party" or "Indemnified Parties" means, collectively or individually as the case may be, the Managing Member, each of its Affiliates (including the Adviser), and each of their respective officers, directors, employees, members, partners, shareholders, agents or trustees.

"Indirect Investment" means an investment by the Company in Qualified Opportunity Zone Stock or Qualified Opportunity Zone Partnership Interest.

"Initial Gain Deferral" means a delay in recognizing capital gains from the sale of property until as late as December 31, 2026 by timely investing those gains in an Opportunity Fund.

"Investment Company Act" means the Investment Company Act of 1940, as amended.

"Investment Period" means that period commencing on the first day on which Capital Commitments or other contributions are accepted and ending on the 10-year anniversary of the Final Closing, unless terminated sooner pursuant to the Operating Agreement.

"Investment Property" means real estate and real estate-related assets in which the Company has directly or indirectly invested.

"Investor Member" means a person admitted as an investor member as set forth in the Operating Agreement.

"Investor Member Approval" means the affirmative vote of a majority-in-interest of the Investor Members, excluding the Managing Member Affiliates and Investor Members that have defaulted on their obligation to make Capital Contributions.

"IRS" means the Internal Revenue Service.

"Key Person" means each of Shawn Horwitz or Edward Lorin (or, if applicable, his previously approved Qualified Replacement).

"Key Person Event" means, at any time during the Investment Period, so long as any Managing Member Affiliate is the Managing Member of the Company, either (i) both of Shawn Horwitz and Edward Lorin (or, if applicable, his previously approved Qualified Replacement) ceases to be actively involved in the management of the Company (it being understood that the Key Persons may also engage in other activities to the extent that such activities do not materially impair such Key Person's ability to participate in management of the Company), or (ii) upon the death or incapacitation of both Key Persons, the applicable Affiliate of the Managing Member does not activate its succession plan or it does not have key man insurance.

"LIHTC" means Low Income Housing Tax Credits.

"Lower Tier General Partner" means a general partner, managing member, or similar manager relied on by a Property Entity for its operation and management.

"Management Fee" means an annual management fee payable by the Company to the Adviser on the first day of each calendar quarter, equal to: (i) 2% of total equity committed to the Company aside from equity the Company has committed to Investment Properties that have achieved Stabilization, plus (ii) for Investment Properties that have achieved Stabilization, 0.7% of the Company's Asset FMV. Where an Investment Property has been sold, the Management Fee in

respect of that Investment Property will be 0.7% of the sale price until a new Investment Property in which the proceeds of that sale have been reinvested achieves Stabilization.

"Management Team" means the management team of the Adviser, which includes the Key Persons and Clayton Wyatt, Russell Ginise, Kathleen Balderrama and Charles Allen.

"Managing Member" means ASI OZone GP 1, LLC, a Delaware limited liability company.

"Managing Member Affiliates" means the Managing Member and its affiliates, including Alliant and its officers, directors, managers, employees and other Affiliates and any entity controlled by any of them or trust for their benefit or members of their immediate families.

"Members" means, collectively, the Investor Members and the Managing Member.

"Member Distribution Period" means the period until the first Member Distribution, and each period between Member Distributions thereafter.

"Member Distributions" means any available cash which, in the discretion of the Managing Member, may be reinvested by the Company or be periodically distributed to the Company's Members as a distribution.

"Membership Interests" means the investor membership interests of the Company.

"Memorandum" means this Confidential Private Place Memorandum.

"Occupancy Rate" means the ratio of rented or used space of an Investment Property to the total amount of available space of an Investment Property.

"OFAC" means the U.S. Treasury Department's Office of Foreign Assets Control.

"Offering" means the offer and sale of the Investor Interests pursuant this Memorandum.

"Operating Agreement" means the Amended and Restated Operating Agreement of the Company.

"Operating Expenses" means shall mean all costs, expenses and liabilities that are incurred by or arise out of the operation and activities of the Company, as determined by the Managing Member, including, without limitation: broken deal expenses; Management Fees; all reasonable expenses for auditing and other services of independent certified public accountants rendered to or for the benefit of the Company; all reasonable expenses for legal, consulting and other professional services rendered to or for the benefit of the Company by persons other than the Adviser and its Affiliates; aborted transaction expenses, to the extent not borne at the Investment Property level; transfer taxes, title premiums, environmental insurance premiums, brokerage commissions and other closing costs; all other out-of-pocket expenses that are incurred directly in connection with a transaction or a proposed transaction by the Company (including those incurred by subsidiaries used to hold, manage or administer investments) and are associated with identifying, investigating, structuring, negotiating, monitoring, financing or disposing of investments, including legal,

compliance, accounting, audit, consulting, appraisal, valuation, travel, meals, accommodation, entertainment and other expenses or related taxes, whether or not such transaction is consummated; the cost of organizing any special purpose vehicle for making investments; fees, commissions, discounts and other expenses incurred in connection with the purchase, holding or sale of any securities, limited partnership interests or membership interests by the Company and any hedging transactions, including interest rate caps and collars; expenses and costs incurred in connection with any government and regulatory filing, registration and registered office fees relating to the Company (such as those following the registration of the Company for marketing in any jurisdiction, but excluding Form ADV and Form PF); costs and expenses associated with research in furtherance of the Fund's investment activities (including engaging consultants, participation in conferences, membership in trade organizations and other activities that promote investment pipeline development); costs, fees and expenses incurred by any other advisors to the Company (including operating partners) or in respect of the Company's Investments; costs, fees and expenses incurred to alter or modify the structure of the Company; communications expenses, including any software or online data portal, in respect of communications to Investor Members; U.S. federal, state, county and municipal and non-U.S. taxes and other governmental charges assessed against the Company other than taxes withheld from Distributions to a Member or otherwise paid or required to be paid by a Member; expenses of providing reports and other information to Members; administrative expenses and costs, including expenses associated with information technology (including subscription fees and expenses), the maintenance of books of account, the preparation of financial statements and any financial reports (including fees and expenses of auditors, accountants and counsel); obligations incurred in connection with Company credit arrangements (including repayment obligations, interest, fees and expenses in connection with such credit arrangements) and all other expenses of depositary services of any depositary, custodian and administrator services (including all legal, accounting, audit, consulting and appraisal expenses); premiums for insurance protecting the Company and Indemnified Parties from liabilities relating to the Company's affairs and indemnity expenses; expenses and fees incurred by the Managing Member or its Affiliates as partnership representative on behalf of the Company; expenses of the Advisory Committee (including reasonable travel, meals, accommodation and other out-of-pocket expenses of the Advisory Committee members) and any meetings of the Members; expenses and costs of liquidating the Company and its special purpose vehicles and subsidiaries; and all other Losses, liabilities and expenses incurred by or on behalf of the Company in connection with the conduct of the business of the Company or the defense or disposition of any claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, arising in connection with the conduct of the business of the Company.

"Opportunity Zones" means a qualified opportunity zone pursuant to the TCJA.

"Organizational Expenses" means all out-of-pocket costs and expenses, in an amount not to exceed $500,000, incurred directly by the Company or for the direct benefit of the Company by the Managing Member, the Key Persons, the Adviser or their respective Affiliates in connection with the formation, registration and capitalization of the Company, the offering of Company interests, and the preparation of the Company to commence its business operations including, without limitation: fees and disbursements of counsel to the Managing Member or the Company; expenses related to the organization of the Managing Member; fees, costs and expenses incurred in relation to the registering and marketing of the Company in any jurisdiction (including travel and

accommodation expenses); fees and expenses in connection with negotiation, execution and delivery of the Operating Agreement, the Management Agreement, any subscription agreement, any modification thereof, any agreement with any member of the Selling Group (other than brokerage fees) or distributor agreement and any related or similar documents other out-of-pocket fees and expenses of the Company or the Managing Member Affiliates for professional services; provided, that fees of the Broker are not included in Organizational Expenses.

"Placement Fee" means a placement fee that the Company will pay the Broker out of the proceeds of the Offering equaling 1% of all gross proceeds of the Offering sold through its efforts.

"Priority Return" means payment equal to a 6% per annum cumulative return on Unreturned Capital Contributions. The Priority Return will accrue year to year to the extent not paid current.

"Property Entity" means an entity that owns and operates an Investment Property.

"Property Manager" means a person or entity, other than the Lower Tier General Partner, responsible for an Investment Property's day-to-day operations, leasing, and physical management under the direction of the Lower Tier General Partner.

"QOF" or "Opportunity Fund" means a qualified opportunity fund as defined in Section 1400Z-2(d)(1) of the Code.

"Qualified Opportunity Zone Business Property" means tangible property used in a trade or business of the Opportunity Fund if (i) the property was acquired by the Opportunity Fund by purchase from an unrelated party (as defined in Section 179(d)(2) of the Code) after 2017, (ii) the original use of the property in a qualified opportunity zone commences with the Opportunity Fund or the Opportunity Fund substantially improves the property (which essentially requires the Opportunity Fund to invest more than the purchase price in the improvements), and (iii) during substantially all of the Opportunity Fund's holding period of the property, substantially all of the use of the property was in a qualified opportunity zone.

"Qualified Opportunity Zone Stock" means any stock in a domestic corporation if the stock is acquired after 2017 at its original issue solely in exchange for cash, the corporation is a qualified opportunity zone business (or if new, is organized for purposes of being a qualified opportunity zone business) at the time the stock is issued, and during substantially all of the Company's holding period of the stock, the corporation qualifies as a qualified opportunity zone business.

"Qualified Opportunity Zone Partnership Interest" means any capital or profits interest a domestic partnership if the partnership interest is acquired after 2017 from the partnership solely in exchange for cash, the partnership is a qualified opportunity zone business (or if new, is organized for purposes of being a qualified opportunity zone business) at the time the partnership interest was issued, and during substantially all of the Company's holding period of the interest, the partnership qualifies as a qualified opportunity zone business.

"Qualified Replacement" means an individual who shall service as a replacement of a Key Person (or another Qualified Replacement) in accordance with the Operating Agreement.

"Reduction in Taxable Gain" means, collectively, taxable gain that is reduced by 10% if an investment in Qualified Opportunity Zone Business Property has been held for five years and an by additional 5% if that investment has been held for seven years, so long as those dates are prior to December 31, 2026.

"REIT" means a real estate investment trust as set forth in subchapter M of chapter 1 of the Code.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Selling Group" means, collectively, the Broker and any other broker-dealers who have entered into a selling agreement.

"SRH" means Strategic Realty Holdings, LLC, an affiliate of Strategic.

"Stabilization" means the earlier of (a) achievement of an Occupancy Rate of at least ninety percent (90%) for a period of not less than 3 consecutive calendar months by a completed Investment Property, or (b) the refinancing of the indebtedness on such Investment Property.

"Strategic" means Strategic Alliant, LLC.

"Study" means that certain study released on June 12, 2017 commissioned by the National Apartment Association and National Multifamily Housing Council and conducted by Hoyt Advisory Services.

"Tax-Exempt Investors" means U.S. investors that are organizations which are otherwise exempt from federal income taxation, the as-qualified pension, profit-sharing and stock bonus plans, individual retirement accounts, educational institutions, and other tax-exempt entities.

"TCJA" means the 2017 Tax Cuts and Jobs Act.

"UBTI" means unrelated business taxable income.

"Unreturned Capital Contributions" means with respect to each Investor Member, the amount of such Investor Member's Capital Contribution, less any amounts paid to such Investor Member, plus any amounts recalled pursuant to the Operating Agreement.

"USRPI" means U.S. real property interest.

"Volcker Rule" means Section 619 of the Dodd–Frank Wall Street Reform and Consumer Act and the rules promulgated thereunder.