ASI MULTI-FAMILY IMPACT FUND, LP

August 12, 2022

Supplement No. 3 to the Confidential Offering Memorandum dated March 9, 2021

This Supplement No. 3 (this "Supplement") supplements and amends, and should be read in conjunction with, the Confidential Offering Memorandum dated March 9, 2021 as supplemented by that certain Supplement No. 1, dated October 1, 2021 and Supplement No. 2., dated February 9, 2022 (as so supplemented, the "Memorandum"), of ASI Multi-Family Impact Fund, LP (the "Partnership") relating to the offering of Units in the Partnership. 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 Units. 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 Partnership 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 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 Units 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 Units in any country or jurisdiction where action for the purpose is required. Accordingly, Units may not be offered or sold, directly or indirectly, in any country or jurisdiction except where approved in advance by the General Partner of the Partnership 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 Units 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 Units. The Units are offered subject to prior sale and subject to the right of the Partnership to reject any subscription in whole or in part.

The Units 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 Partnership 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 Units 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 Units 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 Units is further restricted by the terms of the Partnership Agreement. There will not be any public market for the Units and there is no obligation on the part of any person to register the Units 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 Partnership 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 General Partner are set forth in, and will be governed by, the Partnership Agreement and the Subscription Agreement for the Units, 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 Partnership. In the case of any difference or ambiguity between this Supplement and the Partnership Agreement or the Subscription Agreement, the Partnership Agreement and the Subscription Agreement shall control.

In considering the purchase of Units 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 Partnership will generate results comparable to those previously achieved by the sponsors of the Partnership 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 Units 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 Partnership.

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 Units shall under any circumstances create any implication that there has been no change in our affairs since the stated dates. The Partnership 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 Fund's entering into a contract to purchase its first Investment Property. The General Partner 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.

A new subheading "Investment Properties" shall be added under the heading "INVESTMENT OBJECTIVES AND STRATEGY" in the Memorandum which shall contain the following text:

The Partnership has entered into (or caused a special purpose subsidiary to enter into) a contract to purchase its first Investment Property. This Investment Property is known as the Oak Hill Village Apartments and is located at 38380 Oak Hill Lane in Willoughby, Ohio. This is an affordable, 181-

unit multifamily property situated in Willoughby Hills, a quiet suburban community located less than twenty miles from downtown Cleveland, Ohio. The apartments are comprised of 16 three- story garden-style residential buildings and a clubhouse/leasing office, all situated on 11.2 acres, The property is subject to low income housing tax credit regulatory agreements restricting 100% of the units to 60% of Area Median Income with 112 units or 62% of the tenant base receiving Section 8 vouchers.

The Partnership's capital expenditure budget for Oak Hill Village Apartments includes immediate/short term repairs related to the asphalt and concrete in parking areas. Accessibility review identified non-compliant issues to include ADA modifications to curb ramps and sidewalks, van accessible parking locations, interior common areas and common area restrooms. Furthermore, replacing the roofs on the office building and remaining five residential buildings, adding a pet park, upgrading the four playground areas and energy efficiency upgrades. In addition, the Partnership is considering select unit interior upgrades for plank flooring in the 50% of units that do not yet have plank flooring, and for window blinds.

This property is currently under contract for a total purchase price of $14,000,000. The Partnership has concluded its due diligence on the property and is currently arranging for the debt financing portion of the purchase price. The Partnership is expecting to close on the purchase of this property in late September or in October of 2022.

The Partnership's current business plan for this initial Investment Property is further summarized in **Exhibit A** to this Memorandum. The business plan discussed in this Supplement and in Exhibit A is only for informational purposes and is subject to change without notice.

Part III: Additional Information

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

ASI Multi-Family Impact GP, LLC
c/o CommonGood Capital, LLC
Attention: Investor Relations
Phone: (407) 476-5453
Email: info@commongoodcap.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
Investment Property Summary
(see attached)

Alliant STRATEGIC
A Walker & Dunlop Company

ASI MULTIFAMILY IMPACT FUND

OAK HILL VILLAGE

38380 OAK HILL LANE, WILLOUGHBY, OH 44094

OAK HILL VILLAGE APARTMENTS is an affordable, 181-unit multifamily property situated in Willoughby Hills, a quiet suburban community located less than twenty miles from downtown Cleveland, Ohio. It is well located in a suburban Cleveland submarket with immediate freeway access.

The Property is subject to LIHTC Regulatory Agreements restricting 100% of the units to 60% of Area Median Income with 112 units or 62% of the tenant base receiving Section 8 vouchers.

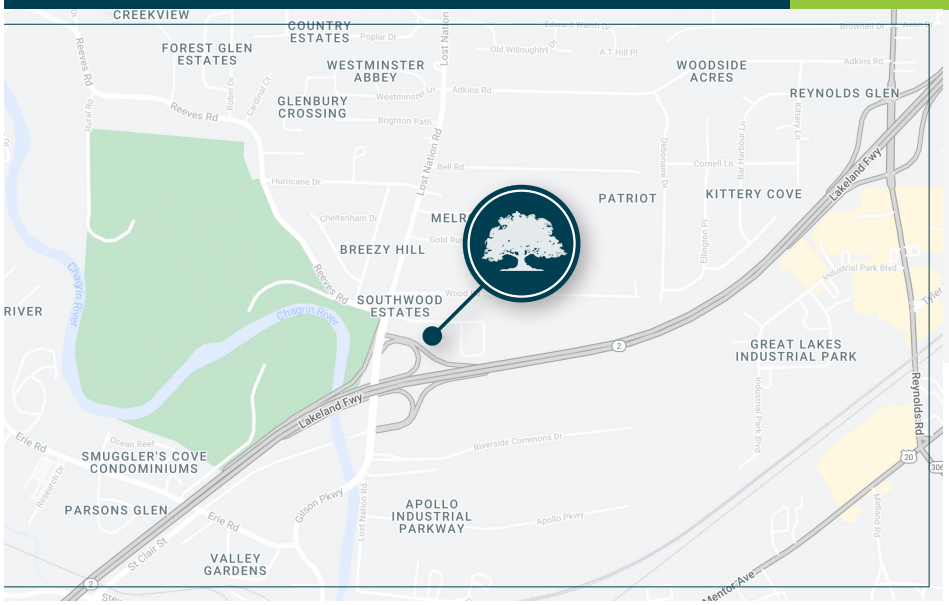
Oak Hill Village is comprised of 16 three-story garden-style residential buildings and a clubhouse/leasing office. Situated on 11.2 acres, the Property includes 334 uncovered parking spaces, 17 being ADA designated.

COMMUNITY AMENITIES

- Controlled Access
- Office/Business Center
- Resident Services Area
- Laundry Facility In Building
- Four Playground Areas
- Fitness Center
- Picnic Area/BBQ Grills
- Pavilion

PROPERTY AMENITIES

- One, Two, And Three Bedrooms
- High-Speed Internet Access
- Range
- Refrigerator
- Garbage Disposal
- Walk-In Closets
- Ceiling Fans
- HVAC



ACQUISITION OVERVIEW

Property Type	Multifamily
Rentable Square Feet	149,555
Number of Units	181
% Occupied	99% June 3, 2022
Acquisition Date	September 2022
Purchase Price	$14,000,000

UNIT MIX | IN-PLACE

Type	Units	Sq.Ft.	Rent Per Month
1 Bed	45	687	$726
2 Bed	114	840	$840
3 Bed	22	1,040	$1,049

Alliant STRATEGIC
A Walker & Dunlop Company

ASI MULTIFAMILY IMPACT FUND

BUSINESS STRATEGY

The Property capital expenditure budget includes immediate/short term repairs related to the following:

- Asphalt and concrete in parking areas
- ADA modifications to curb ramps, sidewalks, and van accessible parking
- Energy efficiency upgrades
- Add pet park
- Replace roofs on office building and five residential buildings
- Upgrade playground areas, interior common areas and common area restrooms
- Select unit interior upgrades

In addition, ASI will partner with Portfolio Resident Services to create and offer planned resident services, which may include academic support for school-age children, financial literacy curriculum, relevant social services, health, and wellness offerings, among others.

RISK DISCLOSURE

This document summarizes certain information relating to a portfolio investment that ASI Multi-Family Impact Fund, LP (the "Fund") has under contract to purchase. This document, standing alone, is neither an offer to sell or a solicitation of an offer to buy, any securities of the Fund. Such offer, if any is made, would be made only through the Confidential Offering Memorandum of the Fund (as it may be amended or supplemented from time to time) (the "Memorandum").

An investment in the Fund are illiquid and involve a high degree of risk and investors could lose part or all of their investment.

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. Investments in real estate are speculative in nature. The Fund's business is subject to all of the risks associated with the real estate industry.

The Fund's investments may be highly leveraged and will have limited diversification. The timing or success of the Fund's exit or liquidity strategy for any given Investment Property may be negatively affected by market conditions at that time.

The Fund may invest in interests in real property jointly with related parties and unrelated third parties, subject to the terms of the offering documents. There is general tax risk associated with an investment in the Fund. Investors should consult with a tax professional prior to investment.

There may be taxable income allocated in excess of distributions. There is no public trading market for the Fund Limited Partnership Interests, and none is anticipated to develop. Returns are not guaranteed, and the Fund may not receive sufficient cash to make Distributions. Certain agreements and arrangements between the Fund, General Partner and its Affiliates are not the result of arm's length negotiations.

The Fund will be subject to various conflicts of interest arising out of its relationship to the General Partner and its affiliates, including those relating to the management of the Fund. A listing of potential conflicts can be found in the Memorandum.

Any persons interested in an investment in the Fund should read this document only in conjunction with Memorandum of the, including without limitation the full description of Risk Factors contained therein, and the Fund's governing documents in their entirety prior to making any investment in the Fund. Please contact the General Partner of the Fund with any questions regarding this document.

ASI MULTI-FAMILY IMPACT FUND, LP

February 9, 2022

Supplement No. 2, dated February 9, 2022,
to the Confidential Offering Memorandum dated March 9, 2021

This Supplement No. 2 (this "Supplement") supplements and amends, and should be read in conjunction with, the Confidential Offering Memorandum dated March 9, 2021 as supplemented by that certain Supplement No. 1, dated October 1, 2021 (as so supplemented, the "Memorandum"), of ASI Multi-Family Impact Fund, LP (the "Partnership") relating to the offering of Units in the Partnership. 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 Units. 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 Partnership 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 Units 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 Units in any country or jurisdiction where action for the purpose is required. Accordingly, Units may not be offered or sold, directly or indirectly, in any country or jurisdiction except where approved in advance by the General Partner of the Partnership 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 Units 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 Units. The Units are offered subject to prior sale and subject to the right of the Partnership to reject any subscription in whole or in part.

The Units 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 Partnership 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 Units 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 Units 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 Units is further restricted by the terms of the Partnership Agreement. There will not be any public market for the Units and there is no obligation on the part of any person to register the Units 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 Partnership 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 General Partner are set forth in, and will be governed by, the Partnership Agreement and the Subscription Agreement for the Units, 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 Partnership. In the case of any difference or ambiguity between this Supplement and the Partnership Agreement or the Subscription Agreement, the Partnership Agreement and the Subscription Agreement shall control.

In considering the purchase of Units 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 Partnership will generate results comparable to those previously achieved by the sponsors of the Partnership 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 Units 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 Partnership.

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 Units shall under any circumstances create any implication that there has been no change in our affairs since the stated dates. The Partnership 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 the following updates regarding certain material factual information contained in the Memorandum, provided that the General Partner has not undertaken to update any or all other factual information in the Memorandum and disclaims any such obligation:

- Updates pertaining to the ownership of the General Partner.

- Updates pertaining to the manner in which the Partnership intends to comply with the ERISA Plan Asset Rules and the Partnership's ability to admit "benefit plan investors" as Limited Partners.

1. Ownership of General Partner. On December 16, 2021, Walker & Dunlop, Inc. ("Walker & Dunlop") closed and consummated its purchase of the 70% interest in Alliant Strategic Investments II, LLC, a Delaware limited liability company ("ASI") which was owned by Palm Drive Associates, LLC, a Delaware limited liability company ("PDA"). This transaction was consummated under a Purchase Agreement with Alliant Capital, Ltd. ("Alliant Capital"), PDA and their affiliated

entities pursuant to which Walker & Dunlop acquired, directly or indirectly, the entities comprising the business of Alliant Capital and ASI (collectively, the "Transaction"). As a result of the Transaction, ASI is 70% owned and controlled, directly or indirectly, by Walker & Dunlop and 30% owned by SRH. The General Partner of the Partnership is 75% owned and controlled, indirectly, by Alliant Strategic Investments II, LLC, a Delaware limited liability company ("ASI"), and 25% owned by CommonGood Capital LLC, a Florida limited liability company ("CGC").

In addition, as a result of the Transactions, certain services which were previously provided to ASI and its affiliated entities (including the Partnership) by Alliant Asset Management Company LLC, as described in the Memorandum, will 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 or any affiliated entities ultimately responsible for the management of the Partnership, or any other material changes in the business of ASI or such entities, are planned as a result of the Transaction, including that the closing of the Transaction did 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-acquires-alliant-capital-301447049.html.

2. Certain ERISA Matters; Benefit Plan Investors. Given the interest of "benefit plan investors" in the Partnership and the availability to the Partnership of the REOC exemption (described below),as set forth in United States Department of Labor Regulation within the meaning of the United States Department of Labor Regulation set forth at 29.C.F.R. Section 2510.3-101 or any successor to such regulation, as amended by Section 3(42) of ERISA (the "Plan Asset Regulation") from the prohibited transaction restrictions of Section 4975 of the Internal Revenue Code of 1986, as amended or ERISA or the ERISA plan asset rules (collectively, the "Plan Asset Rules"), the General Partner has amended the Partnership Agreement to (a) add an obligation of the General Partner to use its commercially reasonable efforts to operate the Partnership as a "real estate operating company" (REOC), and (b) suspend the obligation of the General Partner to use its reasonable best efforts to limit the participation by "benefit plan investors" in the Partnership to less than twenty-five percent (25%) of the total value of each class of equity interests of the Partnership for so long as the Partnership continues to qualify as a REOC.

The Memorandum and Partnership Agreement originally provided that the Partnership would use its reasonable best efforts to limit investments by persons who are "benefit plan investors" to less than 25% of the total value of each class of equity interests of the Partnership. The General Partner believes that it is in the best interests of the Partnership to retain the 25% limitation and associated rights of the General Partner to compel the withdrawal of Limited Partners who are "benefit plan investors" in order to support the General Partner's ability to avoid application to the Partnership of the Plan Asset Rules.

The Memorandum and Partnership Agreement further provided that the General Partner would have the right to compel the withdrawal or transfer to another Limited Partner or to a qualified third party of any or all of the Units of any Limited Partner if the General Partner determined that, by virtue of that Limited Partner's continued investment in the Partnership, the assets of the Partnership may be characterized as "plan assets" for purposes of ERISA. These provisions, together with the REOC provisions, are intended to ensure that the General Partner would not be a

fiduciary, under ERISA, to "benefit plan investors" and to further ensure that the transactions entered into by the Partnership would not be subject to the Plan Asset Rules. In the experience of the General Partner, it is typical that investment funds like the Partnership are structured in a way to avoid application of the Plan Asset Rules because they can make the operation of the fund more difficult. For example, the fee structure of the Partnership (typical for investment funds of its type) does not fit within the US Department of Labor (DOL)'s approved methods for charging performance fees, the purchase of any warehoused investments could raise ERISA prohibited transaction issues, and the payment of certain expenses and the receipt of certain fees could be problematic under ERISA's strict self-dealing and reporting regime.

As of the date of this Supplement, the General Partner has collected executed subscription documents from potential investors in the Partnership equaling $6,640,000.00 of total Capital Commitments, but the General Partner has not yet caused the Initial Closing to occur. Approximately 41.4% of the total Capital Commitments represented by these executed subscription documents are from investors who fall within the definition of "benefit plan investors", the majority of these being investors who seek to invest in the Partnership via their individual retirement accounts (IRAs). As a result, unless the amendments to the Partnership Agreement described in this section are made, the Partnership would not be able to accept at the Initial Closing, many of these benefit plan investors who have executed subscription documents for the Partnership and would need to require some of them to wait until sufficient Capital Commitments from non-benefit plan investors have been closed into the Partnership so as to avoid exceeding the 25% threshold of benefit plan investors.

By operating the Partnership as a REOC the Partnership can admit an unlimited number of "benefit plan investors" and still avoid the Plan Asset Rules as initially contemplated by the Memorandum. For the Partnership to qualify as a REOC, (1) at least 50% of its assets must be invested in qualifying real estate as of the date of its first long-term investment and on at least one day during each annual valuation period that follows and (2) the Partnership must be engaged directly in real estate management or development activities. In keeping with these requirements, the General Partner will not admit any limited partners to the Partnership who fall within the definition of "benefit plan investors" until the Partnership has acquired its first Investment Property.

The General Partner believes that operating the Partnership as a REOC will not require material changes to the manner of operating the Partnership that the General Partner contemplated from inception of the Offering. This is because the Partnership's investment objectives have been, from inception, and will continue to be, the acquisition and development of real estate assets where the Partnership retains some level of control over such assets and development activities.

To this end, the Memorandum and Partnership Agreement have always required the General Partner to use its reasonable best efforts not to invest in "securities" for purposes of the Investment Company Act of 1940 (the "Company Act") or the Investment Advisers Act of 1940 (the "Advisers Act"), each as amended. since being an investment advisor would require registration as an investment adviser under the Advisors Act or being an investment company would limit the ability of the General Partner or its Affiliates to fees and other compensation provided in the Partnership Agreement. In order for investments not to be "securities" for purposes of the Company Act or the Advisers Act, such investments must involve direct or indirect ownership of real estate where the

Partnership retains sufficient control of each Property Entity and Investment Property. "Sufficient control" for these purposes is generally understood to require that the Partnership would be required to invest solely in the following three types of investments: (1) direct fee interests in real estate; or (2) single-member limited liability companies that invest solely in direct fee interests in real estate or (3) majority controlling interests in limited liability companies, or general partner interests in limited partnerships, that invest in real estate. The determination of whether a particular investment is a "security" is a fact and circumstances-based determination based on previously decided court cases having similar facts. For example, the Memorandum provides that the Partnership may from time to time invest in one or more Investment Properties jointly with another equity fund or account managed by an affiliate of the General Partner or with any other third party. In any such case, the General Partner will use its reasonable best efforts to cause the Partnership to retain sufficient control of each Investment Property such that the Partnership is not deemed to be investing in "securities" for purposes of the Company Act and the Advisers Act. The requirements to maintain REOC status are, from the Partnership's perspective, substantially similar to and consistent with the requirements necessary to avoid investing in "securities."

The requirements to maintain REOC status are, from the Partnership's perspective, substantially similar to and consistent with the requirements necessary to avoid investing in "securities.

In addition to the general requirements described above, another requirement to maintain REOC qualification, the Partnership will need to have "management rights" in its investments as determined under the Plan Asset Rules. "Management Rights" are direct contractual rights with an operating company to substantially participate in, or substantially influence the management of, the operating company.

The Partnership intends to perform an annual review to confirm it meets each of the requirements of being a REOC, in addition to considering REOC requirements with each investment made.

3. COVID-19; Omicron 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 emergence first of the Delta variant and most recently the Omicron variant. Accordingly, this recovery remains uneven with dispersion across sectors, regions and markets. The General Partner will continue to monitor the spread and impact of the Omicron 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 Partnership's overall performance.

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

The third paragraph under the heading "OVERVIEW" in the Memorandum shall be revised as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***):

ASI is owned ~~50%~~ ***30%*** by Strategic Realty Holdings LLC, a Delaware limited liability company ("Strategic") and ~~50%~~ ***70%*** by ~~Palm Drive Associates, LLC, a Delaware limited liability company ("Palm Drive")~~ ***WDAGP, LLC, a Delaware limited liability company which is an indirect subsidiary of Walker & Dunlop, Inc. ("W&D")***. ~~ASI and Palm Drive are each~~ ***ASI is*** an affiliate of Alliant Capital, Ltd., a Florida limited partnership ("ACL") ***which is also now owned indirectly by W&D.*** ~~that~~ ***ACL*** focuses on tax credit syndication for the financing and development of affordable housing, ~~and Alliant Asset Management Company, LLC, a California limited liability company ("AAMC") that specializes in~~ ***and*** the management and asset management of residential real estate, with an emphasis on multi-family affordable residential projects. Strategic is an affiliate of Strategic Realty Capital, LLC, a Delaware limited liability company ("SRC"), a well-established, 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. CGC is wholly owned by Jeff Shafer and is a financial services firm that provides advisors with access to private alternative investments, as well as, providing advisory services to businesses all with a focus on investments and businesses, such as affordable housing, that make a positive social impact. CGC is also the sole owner of CommonGood Securities, LLC (the "Broker") that is serving as placement agent for this offering.

The portion of the "SUMMARY OF PRINICIPAL PARTNERSHIP TERMS" regarding "General Partner" shall be revised as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***):

General Partner:	ASI Multi-Family Impact GP, LLC, a Delaware limited liability company. The General Partner was formed solely for the purpose of serving as the general partner of the Partnership and is 75% owned and controlled, directly or indirectly, by Alliant Strategic Investments II, LLC, a Delaware limited liability company ("*ASI*"), and 25% owned by CommonGood Capital LLC, a Florida limited liability company ("*CGC*"). ASI is owned ~~50%~~ ***30%*** by Strategic Realty Holdings LLC, a Delaware limited liability company ("*Strategic*") and ~~50%~~ ***70%*** by ~~Palm Drive Associates, LLC, a Delaware limited liability company ("*Palm Drive*")~~ ***WDAGP, LLC, a Delaware limited liability company which is an indirect subsidiary of Walker & Dunlop, Inc. ("W&D")***. CGC is wholly owned by Jeff Shafer. This Memorandum may refer to ASI, Strategic, ~~Palm Drive~~***W&D***, CGC, their affiliates and affiliates of the General Partner, and their respective officers, directors, employees, members, partners, shareholders, agents or trustees, collectively, as "*General Partner Affiliates*" and each, as a "*General Partner Affiliate*."

The portion of the "SUMMARY OF PRINICIPAL PARTNERSHIP TERMS" regarding "Joint Investments" shall be revised as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***):

Joint Investments:	The Partnership may from time to time invest in one or more Investment Properties jointly with another equity fund or account managed by an affiliate of the General Partner or with any other third party. In any such case, the General Partner will use its reasonable best efforts to cause the Partnership to retain sufficient control of each Investment Property such that the Partnership is not deemed to be investing in "securities" for purposes of the Investment Company Act of 1940 (the "Company Act") or the Investment Advisers Act of 1940 (the "Advisers Act"), each as amended. ***The General Partner will also use commercially reasonable efforts to structure any such joint investment to cause the Partnership to qualify as a REOC (see additional discussion below under "ERISA Investors").***

The portion of the "SUMMARY OF PRINICIPAL PARTNERSHIP TERMS" regarding "ERISA Investors" shall be revised as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***):

ERISA Investors:	The Partnership will use its commercially reasonable efforts ***to qualify as a "real estate operating company" (REOC) under, and as determined pursuant to United States Department of Labor Regulation within the meaning of the United States Department of Labor Regulation set forth at 29.C.F.R. Section 2510.3-101 or any successor to such regulation, as amended by Section 3(42) of ERISA. The General Partner, on behalf of the Partnership, may take any and all actions as may be necessary or desirable to assure that at all times the Partnership qualifies as a REOC.*** ***In the event that the General Partner determines at any time that the Partnership does or cannot not qualify as a REOC, then the General Partner shall use its reasonable best efforts*** to limit investments by "benefit plan investors" to less than 25% of the total value of each class of equity interests of the Partnership. This means that, for such time as the Partnership's assets do not constitute "plan assets," the General Partner will not be a fiduciary, under ERISA, to employee benefit plan investors and

the transactions entered into by the Partnership will not be subject to the prohibited transaction restrictions of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (the "*Code*").

The second and third paragraph under the heading "INVESTMENT OBJECTIVES AND STRATEGY; JOINT INVESTMENTS" in the Memorandum shall be revised as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***):

The Partnership may from time to time invest in one or more Investment Properties jointly with another equity fund or account managed by an affiliate of the General Partner or with any other third party. In any such case, the General Partner will use its reasonable best efforts to cause the Partnership to retain sufficient control of each Property Entity and Investment Property such that the Partnership is not deemed to be investing in "securities" for purposes of the Company Act or the Advisers Act. ***The General Partner will also use commercially reasonable efforts to structure any such joint investment to cause the Partnership to qualify as a REOC.***

The second and third paragraph under the heading "MANAGEMENT OF THE PARTNERSHIP; GENERAL PARTNER" in the Memorandum shall be revised as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***):

The General Partner was formed solely for the purpose of serving as the general partner of the Partnership and is 75% owned and controlled, directly or indirectly, by Alliant Strategic Investments II, LLC, a Delaware limited liability company ("*ASI*"), and 25% owned by CommonGood Capital LLC, a Florida limited liability company ("*CGC*"). ~~ASI is owned 50% by Strategic Realty Holdings LLC, a Delaware limited liability company ("*Strategic*") and 50% by Palm Drive Associates, LLC, a Delaware limited liability company ("*Palm Drive*").~~ ***ASI is owned 30% by Strategic Realty Holdings LLC, a Delaware limited liability company ("Strategic") and 70% by WDAGP, LLC, a Delaware limited liability company which is an indirect subsidiary of Walker & Dunlop, Inc. ("W&D").*** CGC is owned by Jeff Shafer and is the sole owner of the Broker.

Walker & Dunlop (NYSE: WD) is the largest provider of capital to the multifamily industry in the United States and the fourth largest lender on all commercial real estate including industrial, office, retail, and hospitality. Walker & Dunlop enables real estate owners and operators to bring their visions of communities — where Americans live, work, shop and play — to life. The power of our people, premier brand, and industry-leading technology make us more insightful and valuable to our clients, providing an unmatched experience every step of the way. With over 1,000 employees across every major U.S. market, Walker & Dunlop has consistently been named one of Fortune's Great Places to Work® and is committed to making the commercial real estate industry more inclusive and diverse while creating meaningful social, environmental, and economic change in our communities.

ASI is an affiliate of Alliant Capital, Ltd., a Florida limited partnership ("ACL"), ***which is also now owned indirectly by W&D.*** ~~that~~ ***ACL*** focuses on tax credit syndication for the financing and development of affordable housing. ASI and ACL ~~are also affiliated with Alliant Asset Management~~

~~Company, LLC, a California limited liability company ("AAMC"),~~ ***have affiliates*** which specialize~~s~~ in the management and asset management of residential real estate, with emphasis on multi-family affordable residential projects. From 1997 through December 31, 2020, ACL and its affiliates have sponsored approximately 128 limited partnerships investing in affordable housing projects that have raised approximately $8.3 billion in equity and invested in over 1,100 developments representing more than 105,000 units and over 400,000 families across the US. The Partnership may engage ~~AAMC~~ ***one or more affiliates of W&D*** to perform various services, which may include real estate advisory and acquisition services, partnership and portfolio management services and investor communication and reporting services.

The paragraph entitled "ERISA Restrictions" under the heading "CERTAIN RISK CONSIDERATIONS" and subheading "Partnership Risks" in the Memorandum shall be revised as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***):

ERISA Restrictions

The General Partner will use its commercially reasonable efforts ***to qualify as a "real estate operating company" (REOC) within the meaning of the United States Department of Labor Regulation set forth at 29.C.F.R. Section 2510.3-101 or any successor to such regulation, as amended by Section 3(42) of ERISA. The General Partner, on behalf of the Partnership, may take any and all actions as it determines to be necessary or desirable to assure that at all times the Partnership qualifies as a REOC.***

In the event that the General Partner determines at any time that the Partnership does or cannot not qualify as a REOC, then the General Partner shall use its reasonable best efforts to avoid the Partnership's assets being deemed to constitute "plan assets" for purposes of ERISA and Section 4975 of the Code by limiting investment by benefit plan investors to less than 25% of the total value of each class of equity interests of the Partnership.

Should ***the Partnership fail or cease to qualify as a REOC or should*** investments by benefit plan investors exceed 25% of the total value of a class of limited partnership interests at any time ***when the Partnership does not qualify as a REOC***, the Partnership may be limited in the types of investments in which it may participate and other materially adverse effects on the Partnership could result.

The second paragraph under the subheading "Restrictions on Investments by Benefit Plans", which is under the heading "INVESTMENTS BY EMPLOYEE BENEFIT PLANS", in the Memorandum shall be revised as follows (deletions shown in ~~strikethrough~~ and additions shown in **bold italics**):

In order to avoid causing assets of the Partnership to be "plan assets," ***the General Partner shall use its commercially reasonable efforts to qualify the Partnership as a "real estate operating company" (REOC) within the meaning of United States Department of Labor Regulation set forth at 29.C.F.R. Section 2510.3-101 or any successor to such regulation, as amended by Section 3(42) of ERISA. The General Partner, on behalf of the Partnership, may take any and all actions as it determines to be necessary or desirable to assure that at all times the Partnership qualifies as a REOC. In the event that the General Partner determines at any time that the Partnership does or cannot***

not qualify as a REOC, then the General Partner shall use its reasonable best efforts to restrict the aggregate investment by benefit plan investors to under 25% of the total value of each class of equity interests of the Partnership (not including the investments of the General Partner, any person who provides investment advice for a fee (direct or indirect) with respect to the assets of the Partnership, and any entity (other than a benefit plan investor) that is directly or indirectly through one or more intermediaries controlling, controlled by or under common control with any of such entities (including a partnership or other entity for which the General Partner is the general partner, investment adviser or provides investment advice), and each of the principals, officers and employees of any of the foregoing entities who has the power to exercise a controlling influence over the management or policies of such entity or of the Partnership). ***In the event that the Partnership does not or cannot qualify as a REOC in the future,*** ~~Furthermore, because the 25% test is ongoing, it not only restricts additional investments by benefit plan investors, but also can cause the General Partner to require~~ ***the General Partner may need to require*** that existing benefit plan investors withdraw from the Partnership ***in order to meet the 25% test*** ~~in the event that other investors withdraw~~. If ~~rejection of subscriptions or~~ such mandatory withdrawals are necessary, as determined by the General Partner, to avoid causing the assets of the Partnership to be "plan assets," the General Partner will not require any Benefit Plan Investor to withdraw any portion of its interest in the Partnership greater than its pro-rata portion of any Excess Units held by Benefit Plan Investors. For purposes of this paragraph, the term "Excess Units" shall mean such portion of the aggregate Units in the Partnership held by Limited Partners that are Benefit Plan Investors which exceeds the maximum percentage of Units that may be held by Benefit Plan Investors without causing equity participation in the Partnership by Benefit Plan Investors to become "significant" within the meaning of ERISA.

Finally, all references to "AAMC" in the Memorandum are hereby deleted and replaced with "affiliates of W&D".

Part III: Updates to the Partnership Agreement. To reflect the Partnership's new approach to avoidance of coverage under the Plan Asset Rules, certain amendments have been made to the Partnership Agreement as follows (deletions shown in ~~strikethrough~~ and additions shown in ***bold italics***):

Section 1.1: A new defined term is added to Section 1.1 as follows:

"REOC" shall have the meaning set forth in Section 1.8.

Section 1.8: A new Section 1.8(a) is added, the prior Section 1.8(a) is renumbered 1.8(b) and is amended as shown below:

1.8 Benefit Plan Investors.

"(a) The General Partner shall use its commercially reasonable efforts to cause the Partnership to qualify as a "real estate operating company" ("REOC") under, and as determined pursuant to, United States Department of Labor Regulation Section 2510.3-101 and Section 3(42) of ERISA. The General Partner, on behalf of the Partnership, may take any and all actions as it determines to be necessary or desirable to assure that at all times the Partnership qualifies as a REOC."

(b) ***In the event that the General Partner determines at any time that the Partnership does or cannot not qualify as a REOC, then the*** General Partner shall use its reasonable best efforts to limit the participation by Benefit Plan Investors in the Partnership to less than twenty-five percent (25%) of the total value of each class of equity interests of the Partnership, as determined pursuant to United States Department of Labor Regulation Section 2510.3-101 and Section 3(42) of ERISA. The General Partner, on behalf of the Partnership, may take any and all action including refusing to admit persons as Limited Partners or refusing to accept additional capital contributions, and requiring the withdrawal of the Units of any Limited Partner that is a Benefit Plan Investor (in compliance with the procedures set forth in Section 6.2 hereof), as may be necessary or desirable to assure that at all times less than twenty-five percent (25%) of the total value of each such class of equity interests in the Partnership is held by Benefit Plan Investors (not including the investments of the General Partner, any person who provides investment advice for a fee (direct or indirect) with respect to the Partnership and individuals and entities (other than Benefit Plan Investors) that are "affiliates," as such term is defined in the applicable regulation promulgated under ERISA, of any such person) or to otherwise prevent the Partnership from holding "plan assets" under Section 3(42) of ERISA. The General Partner will notify each Benefit Plan Investor if, and as soon as reasonably practicable after, the General Partner becomes aware of information that would lead a reasonable person experienced in such matters to conclude that the Partnership's assets could reasonably be expected to constitute "plan assets," as determined under Section 3(42) of ERISA.

Section 2.13: Section 2.13 is amended as follows:

2.13 Joint Investments. The Partnership is authorized to invest in one or more Investment Properties jointly (a "Joint Investment") with one or more Affiliates of the General Partner or any other third party. In undertaking any such Joint Investment, in accordance with Section 2.16 hereof, the General Partner will use reasonable best efforts to cause the Partnership to retain sufficient control of each Investment Property such that the Partnership is not deemed to be investing in "securities". ***The General Partner will also use commercially reasonable efforts to structure any such joint investment to cause the Partnership to qualify as a REOC***.

The draft of the Partnership Agreement attached to the Memorandum is replaced with the updated draft attached hereto as Exhibit A, which hereby replaces ANNEX A to the Memorandum. For ease of reference, Exhibit A shows the above-described amendments in track changes against the version of the Partnership Agreement originally attached as ANNEX A to the Memorandum.

Part III: Updates to Subscription Agreements. Part III of the Subscription Agreement is amended to revise the first introductory paragraph as follows (deletions shown in ~~strikethrough~~ and additions shown in **bold italics**):

In order to avoid causing assets of the Partnership to be "plan assets" within the meaning of Section 3(42) of ERISA, the General Partner shall use its commercially reasonable efforts to cause the Partnership to qualify as a "real estate operating company" (REOC) under, and as determined pursuant to, United States Department of Labor Regulation set forth at 29.C.F.R. Section 2510.3-101 or any successor to such regulation, as amended by Section 3(42) of ERISA. The General Partner, on behalf of the Partnership, may take any and all actions as it determines to be necessary

or desirable to assure that at all times the Partnership qualifies as a REOC. In the event that the General Partner determines at any time that the Partnership does or cannot not qualify as a REOC, then the General Partner shall use its reasonable best efforts to restrict the aggregate ~~The Partnership Agreement provides that if the General Partner the General Partner intends to limit~~ investment by "benefit plan investors" to less than 25% of the total value of each class of equity interests of the Partnership, as determined in accordance with ERISA and its implementing regulations. Please answer the following question to indicate Subscriber's "benefit plan investor" status.

This amendment will be automatically deemed to have been made to each Subscription Agreement executed by any person prior to the date of this Memorandum and will be binding on all parties to such Subscription Agreement.

Part IV: Additional Information

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

ASI Multi-Family Impact GP, LLC
c/o CommonGood Capital, LLC
Attention: Investor Relations
Phone: (407) 476-5453
Email: info@commongoodcap.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.

ASI MULTI-FAMILY IMPACT FUND, LP

October 1, 2021

Supplement No. 1, dated October 1, 2021,
to the Confidential Offering Memorandum dated March 9, 2021

This Supplement No. 1 (this "Supplement") supplements and amends, and should be read in conjunction with, the Confidential Offering Memorandum dated March 9, 2021 (the "Memorandum"), of ASI Multi-Family Impact Fund, LP (the "Partnership") relating to the offering of Units in the Partnership. 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 Units. 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 Partnership 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 Units 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 Units in any country or jurisdiction where action for the purpose is required. Accordingly, Units may not be offered or sold, directly or indirectly, in any country or jurisdiction except where approved in advance by the General Partner of the Partnership 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 Units 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 Units. The Units are offered subject to prior sale and subject to the right of the Partnership to reject any subscription in whole or in part.

The Units 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 Partnership 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 Units 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 Units 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 Units is further restricted by the terms of the Partnership Agreement. There will not be any public market for the Units and there is no obligation on the part of any person to register the Units 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 Partnership 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 General Partner are set forth in, and will be governed by, the Partnership Agreement and the Subscription Agreement for the Units, 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 Partnership. In the case of any difference or ambiguity between this Supplement and the Partnership Agreement or the Subscription Agreement, the Partnership Agreement and the Subscription Agreement shall control.

In considering the purchase of Units 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 Partnership will generate results comparable to those previously achieved by the sponsors of the Partnership 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 Units 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 Partnership.

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 Units shall under any circumstances create any implication that there has been no change in our affairs since the stated dates. The Partnership 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 certain material factual information contained in the Memorandum, including as it pertains to the ownership of the General Partner, provided that the General Partner 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. Ownership of General Partner. As described in the Memorandum, the General Partner is 75% owned and controlled, indirectly, by Alliant Strategic Investments II, LLC, a Delaware limited liability company ("ASI"), and 25% owned by CommonGood Capital LLC, a Florida limited liability company ("CGC"). 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 ("SRH"), and 70% owned (instead of 50%) and controlled by Palm Drive Associates, LLC, a Delaware limited liability company ("PDA").

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. In addition, following such closing, certain services which are currently provided to ASI and its affiliated entities (including the Partnership) 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 or any affiliated entities ultimately responsible for the management of the Partnership, 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 would 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.

2. Third-Party Administrator. As contemplated in the Memorandum, in April 2021, the General Partner engaged NESF Fund Services Corp. ("NESF") to serve as the third party administrator for the Partnership pursuant to a written agreement (the "TPA Agreement"). Under the terms of the TPA Agreement, NESF will provide certain fund administration services for the Partnership and its subsidiaries, including, but not limited to, (i) 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 Partnership 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 Partnership 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 Partnership provides a reciprocal indemnity in favor of NESF.

3. Updated Address of Partnership and General Partner. The address of the Partnership and the General Partner 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 General Partner 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 Partnership's overall performance.

Additional Information

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

ASI Multi-Family Impact GP, LLC
c/o CommonGood Capital, LLC
Attention: Investor Relations
Phone: (407) 476-5453
Email: info@commongoodcap.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
A Walker & Dunlop Company

CONFIDENTIAL OFFERING MEMORANDUM

ASI MULTI-FAMILY IMPACT FUND, LP

A Delaware Limited Partnership

General Partner:

ASI Multi-Family Impact GP, LLC

A Delaware limited liability company

Private Placement of
Limited Partnership Units

March 9, 2021

THE LIMITED PARTNERSHIP INTERESTS OFFERED HEREBY (THE "*UNITS*") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "*SECURITIES ACT*"), PURSUANT TO EXEMPTIONS PROVIDED BY SECTION 4(a)(2) AND RULE 506 OF THAT ACT AND APPLICABLE STATE SECURITIES LAWS, AND MAY GENERALLY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF BY AN INVESTOR WITHOUT THE PRIOR WRITTEN CONSENT OF THE GENERAL PARTNER AND THEN ONLY IF, AMONG OTHER THINGS, IN THE WRITTEN OPINION OF COUNSEL TO OR APPROVED BY THE PARTNERSHIP, SUCH PROPOSED SALE, TRANSFER OR OTHER DISPOSITION IS CONSISTENT WITH ALL APPLICABLE PROVISIONS OF THE SECURITIES ACT, THE RULES AND REGULATIONS PROMULGATED UNDER SUCH ACT AND ANY APPLICABLE STATE "BLUE SKY" OR SECURITIES LAWS.

THIS CONFIDENTIAL OFFERING MEMORANDUM (THIS "*MEMORANDUM*") HAS BEEN PREPARED IN CONNECTION WITH THE PRIVATE PLACEMENT OF THE UNITS OFFERED HEREBY AND DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE MAKING OF SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL. THIS MEMORANDUM CONSTITUTES AN OFFER ONLY TO THE PERSON (THE "*OFFEREE*") TO WHOM IT IS BEING SENT BY, OR ON BEHALF OF, THE GENERAL PARTNER.

THE UNITS IN THE PARTNERSHIP ARE OFFERED EXCLUSIVELY TO FINANCIALLY SOPHISTICATED, INSTITUTIONAL OR OTHER INVESTORS CAPABLE OF EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE PARTNERSHIP. THE UNITS ARE A SPECULATIVE AND ILLIQUID INVESTMENT THAT INVOLVE SUBSTANTIAL RISK, AND ARE A SUITABLE INVESTMENT ONLY FOR A LIMITED PORTION OF THE RISK SEGMENT OF AN INVESTOR'S PORTFOLIO. INVESTORS COULD LOSE ALL OR SUBSTANTIALLY ALL OF THEIR INVESTMENT IN THE PARTNERSHIP.

THE OFFEREE SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS LEGAL, TAX OR FINANCIAL ADVICE, AND SHOULD CONSULT WITH SUCH OFFEREE'S OWN PROFESSIONAL ADVISERS AS TO THE LEGAL, TAX, FINANCIAL OR OTHER CONSIDERATIONS RELEVANT TO DETERMINING THE SUITABILITY OF THIS INVESTMENT.

DURING THE COURSE OF THIS OFFERING AND PRIOR TO SALE, EACH PROSPECTIVE INVESTOR AND ITS PURCHASER REPRESENTATIVE, IF ANY, IS INVITED TO QUESTION THE GENERAL PARTNER CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING AND TO OBTAIN ADDITIONAL INFORMATION, TO THE EXTENT THE GENERAL PARTNER HAS SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EXPENSE OR EFFORT, CONCERNING THE OFFERING OR TO VERIFY THE ACCURACY OF INFORMATION CONTAINED IN THIS MEMORANDUM. SUBJECT TO THE FOREGOING, ANY REPRESENTATION OR INFORMATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE PARTNERSHIP OR THE GENERAL PARTNER

SINCE NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY SUCH REPRESENTATIONS OR TO PROVIDE ANY SUCH INFORMATION. THE DELIVERY OF THIS MEMORANDUM DOES NOT IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE ON THE COVER HEREOF. THE GENERAL PARTNER HAS NOT ASSUMED ANY RESPONSIBILITY TO UPDATE THIS MEMORANDUM.

WHEN MAKING AN INVESTMENT DECISION, THE OFFEREE MUST RELY ON ITS OWN EXAMINATION OF THE PARTNERSHIP AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE OFFEREE WILL BE REQUIRED TO REPRESENT THAT THE OFFEREE HAS INVESTED IN THE PARTNERSHIP SOLELY ON THE BASIS OF ITS OWN EXAMINATION AND THE INFORMATION SET FORTH IN THIS MEMORANDUM.

THERE IS NO SECONDARY MARKET FOR THE UNITS (NOR IS ONE EXPECTED TO DEVELOP), AND THE UNITS MAY ONLY BE TRANSFERRED TO QUALIFIED INVESTORS AND GENERALLY ONLY WITH THE CONSENT OF THE GENERAL PARTNER (WHICH IT MAY WITHHOLD IN ITS DISCRETION). INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE OFFEREE, BY ACCEPTING RECEIPT OF THIS MEMORANDUM, AGREES TO TREAT THE INFORMATION CONTAINED HEREIN AS CONFIDENTIAL AND NOT TO DUPLICATE THIS MEMORANDUM OR FURNISH COPIES OF IT TO ANY PERSON OTHER THAN SUCH OFFEREE'S PROFESSIONAL ADVISERS. THE OFFEREE FURTHER AGREES PROMPTLY TO DISPOSE OF THIS MEMORANDUM AND ALL OTHER INFORMATION RELATING TO THE PARTNERSHIP SHOULD THE OFFEREE DECIDE NOT TO INVEST.

CERTAIN INFORMATION CONTAINED HEREIN CONCERNING MARKET AND ECONOMIC TRENDS AND OVERALL MARKETPLACE OPPORTUNITIES IS BASED ON, OR DERIVED FROM, INFORMATION PROVIDED BY INDEPENDENT THIRD PARTY SOURCES. THE PARTNERSHIP, THE GENERAL PARTNER AND ITS AFFILIATES BELIEVE THAT SUCH INFORMATION IS ACCURATE AND THAT THE SOURCES FROM WHICH IT HAS BEEN OBTAINED ARE RELIABLE. HOWEVER, NONE OF THE PARTNERSHIP, THE GENERAL PARTNER NOR THEIR RESPECTIVE AFFILIATES ASSUME ANY RESPONSIBILITY FOR THE ACCURACY OF SUCH INFORMATION AND HAVE NOT INDEPENDENTLY VERIFIED THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION OR THE ASSUMPTIONS ON WHICH SUCH INFORMATION IS BASED.

THIS MEMORANDUM INCLUDES "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF SECTION 27A OF THE SECURITIES ACT AND SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACT INCLUDED OR INCORPORATED BY REFERENCE HEREIN, FOR EXAMPLE, REGARDING THE PROSPECTS FOR THE REAL ESTATE INDUSTRY OR THE PARTNERSHIP'S

PROJECTS, PLANS, FINANCIAL POSITION AND BUSINESS STRATEGY, MAY CONSTITUTE FORWARD-LOOKING STATEMENTS. THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 HAS ESTABLISHED THAT THESE STATEMENTS QUALIFY FOR SAFE HARBORS FROM LIABILITY. FORWARD-LOOKING STATEMENTS MAY INCLUDE WORDS SUCH AS THE GENERAL PARTNER OR ITS PRINCIPALS AND AFFILIATES "BELIEVE," "ANTICIPATE," "EXPECT," "PLAN," "WILL," "MAY," "COULD," "ESTIMATE," "INTEND" OR WORDS OF SIMILAR MEANING, AND MAY ADDRESS FUTURE EVENTS AND CONDITIONS CONCERNING THE REAL ESTATE INDUSTRY OR THE PARTNERSHIP'S PROSPECTS IN GENERAL. DUE TO VARIOUS RISKS AND UNCERTAINTIES, INCLUDING THOSE DESCRIBED IN SECTIONS ENTITLED "CERTAIN RISK CONSIDERATIONS" AND "CERTAIN CONFLICTS OF INTEREST" OF THIS MEMORANDUM, ACTUAL EVENTS OR RESULTS OR THE ACTUAL PERFORMANCE OF THE PARTNERSHIP MAY DIFFER MATERIALLY FROM THOSE REFLECTED OR CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS.

NASAA UNIFORM LEGEND

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PARTNERSHIP, THE GENERAL PARTNER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE UNITS OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY GENERALLY NOT BE TRANSFERRED OR RESOLD EXCEPT WITH THE CONSENT OF THE GENERAL PARTNER AND AS PERMITTED UNDER THE SECURITIES ACT, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF AN INVESTMENT IN THE PARTNERSHIP FOR AN INDEFINITE PERIOD OF TIME.

SPECIAL NOTICE TO FLORIDA RESIDENTS ONLY

IF THE INVESTOR IS NOT A BANK, A TRUST COMPANY, A SAVINGS INSTITUTION, AN INSURANCE COMPANY, A DEALER, AN INVESTMENT COMPANY AS DEFINED IN THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED, A PENSION OR PROFIT-SHARING TRUST, OR A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), THE INVESTOR ACKNOWLEDGES THAT ANY SALE OF THE UNITS TO THE INVESTOR IS VOIDABLE BY THE INVESTOR EITHER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE INVESTOR TO THE ISSUER, OR AN AGENT OF THE ISSUER, OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO THE INVESTOR, WHICHEVER OCCURS LATER.

TABLE OF CONTENTS

PAGE

OVERVIEW

ASI Multi-Family Impact Fund, LP, a Delaware limited partnership (the "Partnership"), has been formed to seek current income and capital appreciation through the acquisition, renovation, redevelopment, repositioning, enhancement and operation of existing real estate assets (each, an "*Investment Property*" and, collectively, "*Investment Properties*"), either directly or indirectly through one or more controlled subsidiaries ("*Property Entities*"), for use as multi-family housing complexes that have or will have an "affordable housing" component and/or a "workforce housing" focus. For purposes of this Memorandum, (A) "affordable housing" refers to multi-family housing where some or all of the units are generally targeted to renters earning 80% or less of Area Median Income (as determined by the United States Department of Housing and Urban Development using census data), which may be developed with subsidies and/or tax credits and which may have rent restrictions, and (B) "workforce housing" refers to multi-family housing that is generally targeted to renters earning 80-120% of Area Median Income, and which is generally not subject to a written regulatory agreement and has naturally occurring affordable rents. In carrying out the Partnership's investment purpose, the General Partner expects that: (i) the Partnership will invest in approximately three (3) to eight (8) Investment Properties, (ii) at least fifty percent (50%) of the Investment Properties will have an affordable housing component, and (iii) the Investment Properties will be located in census tracts with a minority population of at least fifty percent (50%), though the Partnership may deviate from such expectations as deemed necessary or appropriate by the General Partner. The Partnership aims to acquire, strategically enhance or improve, and operate its Investment Properties to maximize operating performance, value, and affordability.

ASI Multi-Family Impact GP, LLC, a Delaware limited liability company, is the Partnership's general partner (the "*General Partner*") and will be ultimately responsible for all investment and disposition decisions for the Partnership. The General Partner was formed solely for the purpose of serving as the general partner of the Partnership and is 75% owned and controlled, directly or indirectly, by Alliant Strategic Investments II, LLC, a Delaware limited liability company ("*ASI*"), and 25% owned by CommonGood Capital LLC, a Florida limited liability company ("*CGC*").

ASI is owned 50% by Strategic Realty Holdings LLC, a Delaware limited liability company ("*Strategic*") and 50% by Palm Drive Associates, LLC, a Delaware limited liability company ("*Palm Drive*"). ASI and Palm Drive are each an affiliate of Alliant Capital, Ltd., a Florida limited partnership ("*ACL*") that focuses on tax credit syndication for the financing and development of affordable housing, and Alliant Asset Management Company, LLC, a California limited liability company ("*AAMC*") that specializes in the management and asset management of residential real estate, with an emphasis on multi-family affordable residential projects. Strategic is an affiliate of Strategic Realty Capital, LLC, a Delaware limited liability company ("*SRC*"), a well-established, 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. CGC is wholly owned by Jeff Shafer and is a financial services firm that provides advisors with access to private alternative investments, as well as, providing advisory services to businesses all with a focus on investments and businesses, such as affordable housing, that make a positive social impact. CGC is also the sole owner of CommonGood Securities, LLC (the "*Broker*") that is serving as placement agent for this offering.

The General Partner believes that now, more than ever, affordable and workforce housing is needed, and that access to a safe, clean, affordable home is a catalyst for enriched lives and healthier communities. In the face of increasing demand and constrained supply, the Partnership is being formed to make investments that will help create and preserve this critically needed housing.

Drawing on the expertise of ACL, SRC, CGC and their respective affiliates, the Partnership's objectives are to: (i) acquire Investment Properties that the General Partner views as underperforming or otherwise at attractive prices; (2) strategically enhance or improve such Investment Properties to improve rent rolls and net operating income and increase valuations; (3) manage the Investment Properties to provide near-term cash flow and a stabilized and financeable operating history, while maintaining affordability for area residents; and (4) dispose of the Investment Properties upon achievement of what the General Partner believes to be attractive sale value therefor.

Attainment of the Partnership's investment objectives will depend upon many factors, including the General Partner's ability to correctly identify, and the availability of, suitable Investment Properties, its successful management and financial operations of the Investment Properties, repayment of the Partnership's debt, and future economic conditions (local and national). No assurance can be given that the Partnership will meet its investment objectives.

In undertaking its investment program, the Partnership intends to create a positive impact in the communities in which it invests by providing a safe, healthy and stable environment, and expects to implement various activities and programs at each Investment Property designed to meet the needs of each community.

The Partnership is targeting $25-50 million in capital commitments from qualified investors (who, upon acceptance by the General Partner will become Limited Partners in the Partnership), together with the General Partner. The General Partner will determine the final offering amount in its sole discretion.

The Units are being offered on a "best-efforts" basis by (i) the General Partner and its officers, directors and employees and (ii) CommonGood Securities LLC (the "*Broker*" and together with its affiliates, "*CommonGood*"), 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*") that may also participate in the offering of the Units.

SUMMARY OF PRINCIPAL PARTNERSHIP TERMS

The information contained in this Confidential Offering Memorandum (this "Memorandum") is a summary of certain of the principal terms of the Partnership's Amended and Restated Limited Partnership Agreement (as the same may be further amended, the "Partnership Agreement") and is qualified in full by reference to the Partnership Agreement and the Subscription Agreement relating to the purchase of units of limited partnership interests in the Partnership ("Units"), each of which must be reviewed in its entirety prior to investment.

Partnership: ASI Multi-Family Impact Fund, LP, a Delaware limited partnership.

General Partner: ASI Multi-Family Impact GP, LLC, a Delaware limited liability company. The General Partner was formed solely for the purpose of serving as the general partner of the Partnership and is 75% owned and controlled, directly or indirectly, by Alliant Strategic Investments II, LLC, a Delaware limited liability company ("*ASI*"), and 25% owned by CommonGood Capital LLC, a Florida limited liability company ("*CGC*"). ASI is owned 50% by Strategic Realty Holdings LLC, a Delaware limited liability company ("*Strategic*") and 50% by Palm Drive Associates, LLC, a Delaware limited liability company ("*Palm Drive*"). CGC is wholly owned by Jeff Shafer. This Memorandum may refer to ASI, Strategic, Palm Drive, CGC, their affiliates and affiliates of the General Partner, and their respective officers, directors, employees, members, partners, shareholders, agents or trustees, collectively, as "*General Partner Affiliates*" and each, as a "*General Partner Affiliate*."

Investment Purpose: The Partnership has been formed to acquire, own, enhance, renovate, redevelop, reposition and operate existing real estate assets (each, an "*Investment Property*" and, collectively, "*Investment Properties*"), either directly or indirectly through one or more controlled subsidiaries ("*Property Entities*"), for use as multi-family housing complexes that have or will have an "affordable housing" component and/or a "workforce housing" focus. For purposes of this Memorandum, (A) "affordable housing" refers to multi-family housing where some or all of the units are generally targeted to renters earning 80% or less of Area Median Income (as determined by the United States Department of Housing and Urban Development using census data), which may be developed with subsidies and/or tax credits and which may have rent restrictions, and (B) "workforce housing" refers to multi-family housing that is generally targeted to renters earning 80-120% of Area Median Income, and which is generally not subject to a written regulatory agreement and has naturally occurring affordable rents. In carrying out the Partnership's investment purpose, the

General Partner expects that: (i) the Partnership will invest in approximately three (3) to eight (8) Investment Properties, (ii) at least fifty percent (50%) of the Investment Properties will have an affordable housing component, and (iii) the Investment Properties will be located in census tracts with a minority population of at least fifty percent (50%), though the Partnership may deviate from such expectations as deemed necessary or appropriate by the General Partner.

Offering: The Partnership is offering a single class of Units (the "*Offering*") to qualified investors who may be admitted as limited partners ("*Limited Partners*") to the Partnership. Limited Partners and the General Partner may be collectively referred to herein as "*Partners*."

The Partnership is targeting aggregate commitments of $25-50 million from all Partners. The General Partner will determine the final Offering amount in its sole discretion. The Partnership is not required to seek a specified minimum amount of committed capital from investors.

The Units are being offered on a "best-efforts" basis by (i) the General Partner and its officers, directors and employees and (ii) the Broker and the Selling Group.

Broker; Placement Fee: The General Partner or an affiliate thereof will pay the Broker a fee equal to 1% of all Capital Commitments of the Offering (excluding the Capital Commitments of the General Partner and certain affiliates) (the "*Placement Fee*"). For avoidance of doubt, the Placement Fee will <u>not</u> be borne by the Partnership or any Limited Partner.

The Broker is wholly owned by CGC, which owns 25% of the General Partner and via CGC's ownership of such interest in the General Partner, CGC will receive a 25% share of the Carried Interest, Management Fee and other income of the General Partner.

Investor Suitability: Units will generally be offered solely to "U.S. persons" (as such term is defined in Regulation S under the Securities Act of 1933, as amended (the "*Securities Act*")) that are "accredited investors," within the meaning of Regulation D under the Securities Act. 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 General Partner may, in its sole and absolute discretion, agree to waive the U.S. person requirement and reserves the right to reject any subscription, in whole or in part.

Capital Commitments; Units: Limited Partners will, pursuant to the Partnership's Subscription Agreement, make commitments ("*Capital Commitments*") to contribute capital ("*Capital Contributions*") to the Partnership from time to time upon notices ("*Drawdown Notices*") from the General Partner.

The minimum Capital Commitment to the Partnership per investor is Fifty Thousand Dollars ($50,000.00). The Partnership may, however, accept Capital Commitments of lesser amounts at the discretion of the General Partner.

ASI has agreed to make, through its affiliates, a Capital Commitment to the Partnership on the Initial Closing Date equal to at least two hundred thousand dollars ($200,000), and at all times shall maintain a Capital Commitment of at least 2% of the aggregate Capital Commitments to the Partnership (inclusive of the Capital Commitments of the General Partner Affiliates other than CGC) (the "*ASI Co-Investment*"), not to exceed $1.5 million unless agreed by ASI. ASI may increase the size of the ASI Co-Investment in its sole and absolute discretion.

CGC, itself or through its affiliates, has agreed to at all times maintain a Capital Commitment of at least 0.2% of the aggregate Capital Commitments to the Partnership (the "*CGC Co-Investment*"), not to exceed $100,000 unless agreed by CGC. CGC may increase the size of the CGC Co-Investment in its sole and absolute discretion.

Each Partner will be issued "*Units*" in the Partnership in proportion to the Capital Commitment made by such Partner relative to the total Capital Commitments made by all Partners, which will entitle such Partner to a Partnership Percentage and certain voting and other rights, in each case to the extent set forth in the Partnership Agreement and described herein. The "*Partnership Percentage*" of each Partner shall be equal to a fraction, expressed as a percentage, the numerator of which is the amount of such Partner's total Units, and the denominator of which is the aggregate Units of all the Partners.

No investor should subscribe for Units in the Partnership, unless it is able to make a long-term commitment of capital and can withstand the complete loss of its investment.

Closings; Early Discount: The date on which the General Partner accepts the initial Capital Commitments is hereinafter referred to as the "*Initial Closing Date,*" which determination shall be made in the sole discretion of the General Partner. It is anticipated that the Initial Closing Date will occur on or around the three month anniversary of the date of this Memorandum, though the Initial Closing Date may occur earlier or later in the General Partner's discretion. Thereafter, pursuant to the Partnership Agreement, the General Partner may, but is not obligated to, accept Capital Commitments on any date (each, a "*Closing Date*") within the twelve (12) month period following the Initial Closing Date (the "*Subscription Period*"). The General Partner may in its sole discretion extend the Subscription Period by up to three (3) months. The last day of the Subscription Period shall be referred to herein as the "*Final Closing Date*."

The first five million dollars ($5,000,000) in aggregate (as such amount may be increased by the General Partner in its sole discretion, the "*Discount Threshold*") of irrevocable Capital Commitments (the "*Discounted Capital Commitments*") that are received by the General Partner in accordance with a fully completed and executed Subscription Agreement, as determined by the General Partner in its sole discretion, shall upon acceptance of such Discounted Capital Commitments be entitled to the following preferential terms, as further described under "Distributions" below: (i) the Preferred Return in respect of such Discounted Capital Commitments shall be calculated using a 10% *per annum* rate (instead of 8%) and (ii) the General Partner's Carried Interest Percentage in respect of such Discounted Capital Commitments shall be 15% (instead of 20%). Any Limited Partner receiving such preferential terms with respect to all or a portion of its Capital Commitment shall be referred to herein as an "*Early Close LP*." For avoidance of doubt, unless otherwise agreed by the General Partner in its sole discretion, such preferential terms shall not apply to any Capital Commitments (or portions thereof) that are in excess of the Discount Threshold, as determined by the General Partner in its sole discretion, including any portion of an Early Close LP's Capital Commitment that causes the Discount Threshold to be exceeded. The General Partner will indicate on its acceptance of each Early Close LP's Subscription Agreement whether all or a portion of such Early Close LP's Capital

Commitment constitutes a Discounted Capital Commitment, which determination shall be final and conclusive.

Warehoused Investments: General Partner Affiliates may make certain investments on behalf of the Partnership, which the General Partner will then sell to the Partnership at cost (including certain financing and carrying costs incurred) ("*Warehoused Investments*"). To the extent any General Partner Affiliate acquires any Warehoused Investment on behalf of the Partnership during the Subscription Period, the General Partner will provide to all Limited Partners and prospective investors, in addition to this Memorandum, supplemental materials describing such Warehoused Investment.

Capital Commitments after the Initial Closing Date: Each Partner who is admitted to the Partnership or who increases its Capital Commitment after the Initial Closing Date (a "*later-admitted Partner*") will generally be required to: (i) make an immediate Capital Contribution (a "*Catch-Up Contribution*") to the Partnership in an amount equal to its proportionate share (based on relative Capital Commitments) of all Capital Contributions of earlier-admitted Partners made prior to such date (net of any Modifying Distributions (hereinafter defined) previously made to those Partners); and (ii) contribute an additional amount (the "*Additional Amount*") computed with respect to the Catch-Up Contribution at a rate of 8% *per annum* from the date(s) that the component amounts in clause (i) arose through the applicable Closing Date. The amounts so contributed (other than amounts attributable to the Management Fee, which will be paid over to the General Partner or its designee) will generally be distributed to the earlier-admitted Partners in proportion to their Capital Commitments and, other than the Additional Amounts, will be treated as Modifying Distributions that may be drawn down again by the Partnership. The Additional Amounts will not be included in determining any Limited Partner's Capital Commitment or Unfunded Capital Commitment but will be included in calculating the Preferred Return (described below) as to any Limited Partner to whom such Additional Amounts are paid.

The purpose and intent of requiring later-admitted Partners to make Catch-Up Contributions is to treat all Partners (including all later-admitted Partners) as having been admitted on the Initial Closing Date. Accordingly, the General Partner will be entitled to make such adjustments to the Catch-Up Contributions (and Additional Amounts), and to interpret the Partnership Agreement, in any manner that it reasonably believes to be consistent with that purpose and intent.

A "*Modifying Distribution*" means: (i) any distribution made to a Partner that represents a distribution of Catch-Up Contributions made by later-admitted Partners; and (ii) any Capital Contribution (or portion thereof) that the Partnership has returned to a Partner following a determination by the General Partner that, due to changed circumstances or other factors, such Capital Contribution (or portion thereof) will not be used or invested by the Partnership within ninety (90) days of the relevant Drawdown Date.

Drawdowns: Each Limited Partner will be required to make Capital Contributions in such amounts and at such times as the General Partner may specify in Drawdown Notices delivered from time to time to such Limited Partner. The General Partner will give Limited Partners a written Drawdown Notice at least fourteen (14) calendar days before the date on which each Capital Contribution is payable to the Partnership (each such date, a "*Drawdown Date*"), unless the General Partner and a Limited Partner agree otherwise (including with respect to Capital Contributions to be made on such Limited Partner's Closing Date). Each Drawdown Notice shall (i) set forth the Partner's share of the capital contributions being required, generally calculated *pro rata* based on the contributing Partners' respective Unfunded Capital Commitments, and (ii) include a brief statement of the general reasons for the required Capital Contribution. While Capital Contributions may be paid in installments, the General Partner may also call all or substantially all of a Limited Partner's Capital Commitment at the applicable Closing. The General Partner may require Limited Partners to make Capital Contributions for the purpose of making Partnership investments (including investments to acquire or improve Investment Properties) and paying fees and expenses (including Organizational Expenses and Partnership Expenses).

In no event will any Partner be required to make Capital Contributions on any Drawdown Date in excess of an amount (the Partner's "*Unfunded Capital Commitment*") equal to: (i) the amount of that Partner's Capital Commitment; *minus* (ii) the amount of all Capital Contributions made by that Partner; *plus* (iii) the amount of any Modifying Distributions made to such Partner, in each case, determined as of that Drawdown Date. As discussed above, Additional Amounts will not be treated as Modifying Distributions and will not be included in determining a Partner's Capital Commitment or Unfunded Capital Commitment.

Defaults:

In the event that a Limited Partner fails to make a Capital Contribution in full pursuant to the terms of a Drawdown Notice, after five (5) business days' additional notice, the General Partner will have the right to pursue any one or more of the following remedies against such a "*Defaulting Partner*" on behalf of the Partnership: (i) charge such Defaulting Partner interest equal to 1.5% per month (or, if less, the maximum rate permitted by law) on the amount due from the date such amount became due until the date on which such payment is received by the Partnership; (ii) bring an action to collect a defaulted payment, with interest and expenses and to charge the Defaulting Partner's capital account for the costs thereof; (iii) borrow the amount of the defaulted payment and specially allocate the related interest expense to the Defaulting Partner; (iv) deny the Defaulting Partner the right to participate in votes or consents of the Partners; (v) prohibit the Defaulting Partner from making further Capital Contributions; (vi) terminate all the Defaulting Partner's rights to receive future distributions from the Partnership, provided that upon dissolution of the Partnership the Defaulting Partner will be entitled to receive without interest after all other Partners have received the return of their Capital Contributions an amount equal to the lesser of the amount of the book capital account of such Partner at the time of default or dissolution (whichever is lower), the tax capital account of such Limited Partner at the time of default or dissolution (whichever is lower), or the original contributions of the Limited Partner to the Partnership, after deduction in each case of the Defaulting Partner's proportionate share of Management Fees and other Partnership expenses through dissolution; (vii) offer for sale the Defaulted Partner's Units, and cause the Defaulted Partner to assign the same, to any Person (including the remaining Limited Partners) at a price reasonably agreed upon by such person and the General Partner; and (viii) take all actions on behalf of the Partnership consistent with the foregoing as it in its sole discretion deems appropriate.

The General Partner may also pursue such other remedies against defaulting Limited Partners as may be available at law or in equity or choose to waive any remedies that may otherwise apply.

The General Partner has the authority to adjust the Partners' Partnership Percentages to reflect the default provisions described above.

Investment Period: The investment period (the "*Investment Period*") will be the period beginning on the Initial Closing Date and ending on the second anniversary of the Final Closing Date, unless terminated sooner upon the occurrence of a Key Person Event.

Generally, the General Partner intends for the Partnership to acquire investments during, and sell such investments after, the Investment Period, although it is possible that certain investments will be sold during the Investment Period. Following the end of the Investment Period, no further investments will be made by the Partnership, except to the extent necessary to: (i) complete investments by the Partnership for which a letter of intent or a similar commitment has been entered into or made prior to the end of the Investment Period (each, a "*Follow-Up Investment*"); or (ii) make an additional investment to renovate, protect, support or enhance an existing investment held by the Partnership (each, a "*Follow-On Investment*").

Following the end of the Investment Period, the General Partner may also call capital to (i) pay or establish reserves in respect of Investment Properties, (ii) pay or establish reserves in respect of outstanding indebtedness; and (iii) pay Partnership Expenses.

Term: Unless dissolved sooner, the Partnership's term (the "*Term*") will continue until the 5th anniversary of the Final Closing Date, subject to extension (a) by the General Partner in its discretion upon notice to the Limited Partners 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 Partnership or the Investment Properties are subject, or (c) by the approval of a Majority-in-Interest of the Limited Partners. In addition, the Partnership's term may be ended earlier under the provisions of the Partnership Agreement. Following dissolution, the General Partner may reasonably delay the completion of winding up of the Partnership and filing the certificate of cancellation pending fulfillment of outstanding commitments and enforcement of remaining rights of the Partnership in connection with an orderly liquidation of Partnership investments in due course. Without limitation of the foregoing, until the first anniversary of the dissolution of the Partnership, or longer in the reasonable discretion of the General Partner, the Partnership shall be permitted to retain all property and assets of the Partnership to satisfy the

Partnership's indemnification obligations and other Partnership Expenses and liabilities of the Partnership.

Distributions: The General Partner generally intends to cause the Partnership to make cash distributions out of Distributable Cash (as defined below).

"*Distributable Cash*" means the excess of the Partnership's cash and cash equivalents over the amount of cash needed by the Partnership, as determined by the General Partner in its sole discretion, to (i) service its debts and obligations (contingent or otherwise) to any person (including, without limitation, to any Partner 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 Partnership, and (iii) conduct its business and carry out its purposes. Distributable Cash does not include the Capital Contributions of the Limited Partners.

Distribution Waterfall. Distributable Cash from each Investment Property will be distributed periodically in the General Partner's sole discretion following receipt of same by the Partnership. Prior to distribution, Distributable Cash will be tentatively apportioned in respect of each Investment Property giving rise thereto among all Partners in accordance with their respective Partnership Percentages. The General Partner's tentatively apportioned share in respect of each such Investment Property will be distributed directly to the General Partner, and each Limited Partner's tentatively apportioned share in respect of each such Investment Property will be reapportioned as between that Limited Partner and the General Partner, and will be distributed to them, on a cumulative basis, in the following order of priority (the "*Distribution Waterfall*"):

(i) first, 100% to such Limited Partner, until such Limited Partner has received cumulative distributions under this clause (i) equal to such Limited Partner's aggregate Capital Contributions deemed made in connection with such Investment Property (including Partnership Expenses that have been allocated to such Investment Property by the General Partner);

(ii) second, 100% to such Limited Partner, until such Limited Partner has received cumulative distributions under this clause (ii) equal to an 8% *per annum* cumulative return on the aggregate Capital Contributions deemed made by

such Limited Partner with respect to such Investment Property from the date of contribution until the date of return (the "*Preferred Return*");

(iii) third, 50% to the General Partner and 50% to such Limited Partner, until the General Partner has received cumulative distributions under this clause (iii) equal to its Carried Interest Percentage of all distributions made pursuant to clause (ii) above and this clause (iii) in respect of such Investment Property; and

(iv) thereafter, 80% to such Limited Partner and 20% (the "*Carried Interest Percentage*") to the General Partner.

The amounts distributed to the General Partner under clauses (iii) and (iv) of the Distribution Waterfall are referred to in this Memorandum as the General Partner's "*Carried Interest*."

Notwithstanding the foregoing, with respect to the Discounted Percentage of each Early Close LP's Capital Contributions, (i) the Preferred Return shall be calculated using a 10% *per annum* rate and (ii) the General Partner's Carried Interest Percentage shall be equal to 15%, and the distributions in respect of each Early Close LP pursuant to the Distribution Waterfall shall be adjusted accordingly. For purposes of the foregoing, "*Discounted Percentage*" means a fraction, expressed as a percentage, equal to (x) the portion of such Early Close LP's Capital Commitment that constitutes a Discounted Capital Commitment, as determined by the General Partner in its sole discretion, *divided* by (y) such Early Close LP's total Capital Commitment. Additionally, the General Partner may, in its sole discretion, agree with any particular Limited Partner in writing to apply different Carried Interest terms for that Limited Partner without offering the same opportunity to other Limited Partners.

Deemed Capital Contributions to Investment Properties. Each Partner will be deemed to have made Capital Contributions to each Investment Property that are equal to such Partner's Partnership Percentage of the total Capital Contributions deemed made in connection with such Investment Property, notwithstanding the actual application of any individual Partner's Capital Contributions. The General Partner will be entitled to make such adjustments and to interpret the Partnership Agreement in any manner that it reasonably believes to be consistent with the foregoing.

Partnership Expenses and Distributable Cash not Attributable to Specific Investment Property. Partnership Expenses that are not attributable to a specific Investment Property will be allocated by the General Partner in good faith among all Investment Properties, generally *pro rata* based on the amount of Capital Contributions invested in each Investment Property relative to all Capital Contributions invested in all Investment Properties as of the time of determination. The General Partner does not expect that the Partnership will generate a significant amount of Distributable Cash from any source other than the Investment Properties. Any Distributable Cash that is not attributable to an Investment Property (i.e., from short term investments) will be distributed to the Partners *pro rata* based on their respective Partnership Percentages at such times and in such amounts as the General Partner determines to be appropriate.

Tax Distributions and Withholding. The General Partner will receive distributions equal to the amount of United States federal, state and local income tax calculated at the Assumed Tax Rate with respect to any allocations of taxable income to the General Partner by the Partnership in respect of the Carried Interest. The "*Assumed Tax Rate*" means the highest marginal effective tax rate (as determined for each Fiscal Year in which income is allocated to the General Partner in respect of the Carried Interest) (federal, state and local) payable by a married individual living in Los Angeles, California and filing a joint return (including the tax imposed under Section 1411 of the Internal Revenue Code of 1986, as amended (the "*Code*")), as determined in good faith by the General Partner. Any such tax distribution will be treated as an advance against, and reduce subsequent distributions of or related to, the Carried Interest.

In the event that the Partnership pays withholding or other taxes with respect to a Limited Partner, such payment will be treated as a distribution to such Limited Partner at the time that such withholding or other tax is paid.

Nature of Distributions. Distributions will generally be made in cash during the Partnership's term. Following the Partnership's dissolution, the General Partner may distribute "in-kind" property or undivided interests therein. Any in-kind distribution will be made according to the Distribution Waterfall, by valuing the assets to be distributed at their fair values (as determined by the General Partner in its sole discretion) as of the distribution date and distributing those assets to the Partners in the same order and priority as a

distribution of an amount of Distributable Cash equal to those fair values

Clawback. If, as of immediately prior to the termination of the Partnership, the General Partner is determined to have received Excess Carried Interest (as defined below) with respect to any Limited Partner, then the General Partner will be required to contribute to the Partnership for distribution to such Limited Partner an amount (the "*Clawback Amount*") equal to the lesser of: (i) the Excess Carried Interest; or (ii) the aggregate amount of all Carried Interest as to the Limited Partner distributed to the General Partner over the Partnership's term less the amount of any tax obligations, calculated at the Assumed Tax Rate, attributable to allocations of taxable income to the General Partner in respect thereof. In the event of removal of the General Partner, its clawback liability shall be no greater than the Clawback Amount received by it through the effective date of its removal.

The term "*Excess Carried Interest*" means, as to a Limited Partner, (1) any Carried Interest distributions *if* the Limited Partner has not received at least the Preferred Return; or (2) aggregate Carried Interest distributions that exceed the General Partner's Carried Interest Percentage of the Aggregate Pre-Carry Profit distributed, pursuant to clauses (iii) and (iv) of the Distribution Waterfall, above the Preferred Return to the Limited Partner.

As used above, the term "*Aggregate Pre-Carry Profit*" means the aggregate amount distributed to a Limited Partner (other than as a return of such Limited Partner's capital) and to the General Partner as Carried Interest as to that Limited Partner.

Management Fee: As of the Initial Closing Date and as of the first day of each calendar quarter thereafter, the Partnership will become obligated to pay the General Partner or its designee a quarterly fee (the "*Management Fee*"), calculated separately with respect to each Limited Partner, equal to (i) during the Investment Period, 1.50% *per annum* of such Limited Partner's Capital Commitment, and (ii) after the Investment Period and until the date a certificate of cancellation of the Partnership is filed, 1.50% *per annum* of such Limited Partner's Net Invested Capital. As the Initial Closing Date may occur on a date other than the first day of a calendar quarter, the Management Fee for the initial calendar quarter will be prorated for the number of days remaining in that quarter. The Management Fee is payable in advance on the first day of each calendar quarter and, if not paid, will continue to accrue without interest. "*Net Invested*

Capital" means, as of any date with respect to any Partner, (a) the sum of (i) all of such Partner's Capital Contributions made for the purpose of funding the acquisition, improvement, holding, maintaining, financing and disposition of Investment Properties plus (ii) all of such Partner's Capital Contributions made to fund Partnership Expenses or other costs or expenses not related to a specific Investment Property and (b) reduced, without duplication, by (i) in the case of a disposition of an entire Investment Property, (A) the amounts described in clause (a)(i) above with respect to such Investment Property and (B) a *pro rata* portion of the amounts described in clause (a)(ii) above based upon the amount of Capital Contributions invested in such Investment Property relative to all Capital Contributions invested in all Investment Properties; (ii) in the case of a disposition of a portion of an Investment Property, the allocable portion of (A) the amounts described in clause (a)(i) above with respect to such Investment Property and (B) a *pro rata* portion of the amounts described in clause (a)(ii) above based upon the amount of Capital Contributions invested in such Investment Property relative to all Capital Contributions invested in all Investment Properties; and (iii) in the case of a completely and permanently written off Investment Property (as determined by the General Partner in good faith through fair value accounting), (A) the amounts described in clause (a)(i) above with respect to such Investment Property and (B) a *pro rata* portion of the amounts described in clause (a)(ii) above based upon the amount of Capital Contributions invested in such Investment Property relative to all Capital Contributions invested in all Investment Properties, all as determined by the General Partner in its reasonable judgment. For the avoidance of doubt, the amount resulting from clause (a) above shall not be reduced by distributions to such Partner of proceeds from a partial or full refinancing of debt on an Investment Property or as the result of a full or partial disposition of an Investment Property to the extent that, and for so long as, the proceeds thereof are reinvested in an Investment Property or otherwise used for the purposes described in clause (a), as determined by the General Partner in its sole discretion.

Later-admitted Partners will be required to contribute their allocable share of the Management Fee that otherwise would have been payable had they been admitted on the Initial Closing Date. Such amount will be paid over to the General Partner.

Investment Property Level Fees:

If the General Partner (or its affiliate or designee) determines that construction, property management, sales, leasing (if any), finance or other services are required as part of the Partnership's or any Investment Property's redevelopment or operational activity, such services may be provided by the General Partner or its affiliates (each, an "*Affiliated Service Provider*") and/or an

Affiliated Service Provider may arrange for the provision of such services by third party service providers. In either case, the Affiliated Service Provider will be entitled to receive fees ("*Investment Property Level Fees*") in connection with providing or arranging for the provision of such services as set forth in the Partnership Agreement and described herein, or as otherwise approved by a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner) or the Advisory Committee. Investment Property Level Fees will be in addition to, and will not offset the Management Fee.

Investment Property Level Fees will include the following real estate investment-related fees:

Construction Management Fee. If an Affiliated Service Provider provides construction management or development services in relation to any Investment Property, then that Affiliated Service Provider will be paid a "*Construction Management Fee*." The Construction Management Fee paid to an Affiliated Service Provider shall not exceed 6% of construction costs, except as otherwise approved by a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner) or the Advisory Committee.

Other Fees. An Affiliated Service Provider may charge the Partnership or any Property Entity such fees for such additional services (or the above services if to be provided on terms materially less favorable to the Partnership than those described above) as are either (a) in the reasonable judgment of the General Partner, reasonable under the circumstances or competitive with the fees, prices or other compensation customarily paid for similar property or services in the same geographic area or (b) approved by a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner) or the Advisory Committee.

Investment Property Level Fees may be paid by the Partnership or directly by a Property Entity. In either case, Investment Property Level Fees shall be allocated among the Partners *pro rata* based on their respective Capital Contributions deemed made in respect of the applicable Investment Property.

Other Expenses and Fees:

Organizational Expenses. The Partnership will bear all third-party costs and expenses (including the fees and expenses of counsel and accountants) incurred by or on behalf of the

Partnership or by or on behalf of the General Partner in connection with the formation of the Partnership and the General Partner and the offering and sale of Units ("*Organizational Expenses*") up to an amount not to exceed $250,000. All Organizational Expenses in excess of $250,000 will be borne by the General Partner and/or its affiliates. The Placement Fee and any LP-Paid Broker/Dealer Fees (as defined below) are excluded from Organizational Expenses and shall be borne separately by the General Partner (or its affiliate) and the applicable Fee Paying LP(s) (as defined below), respectively.

Operating Expenses. The Partnership shall also pay or reimburse the General Partner or an affiliate thereof or any of their respective officers, directors, employees, members, partners, shareholders, agents or trustees, for all costs, fees and expenses incurred by or on behalf of the Partnership in connection with its management and operation, including but not limited to: (a) all costs, fees and expenses of the General Partner related to the investigation, purchase, financing, refinancing, operating, managing, developing, leasing, sale, preservation or retention of property or mortgages, by the Partnership (including all fees and commissions of brokers and custodians, research expenses, travel costs, all fees and expenses relating to the recordation and qualification for sale of such properties or mortgages and all transfer taxes); (b) all federal, state and local taxes and similar amounts and all filing fees payable by the Partnership (but not withholding or other taxes attributable to particular Limited Partners); (c) all costs, fees and expenses relating to accountings and the preparation and mailing of financial, tax and performance reports, including the allocable share of the costs, fees and expenses relating to internal accounting and tax preparation functions should the General Partner determine not to use third-party providers for such services; (d) all fees and disbursements of the General Partner's attorneys, accountants and consultants; (e) all filing and recording fees; (f) all interest expense of the Partnership; (g) any indemnification expenses of the Partnership; (h) any liquidation expenses, insurance and litigation expenses, or broken deal expenses; (i) the fees and reimbursable expenses of any third-party administrator engaged by the General Partner to provide certain administrative services to the Partnership on behalf and under the direction of the General Partner as described in the section of this Memorandum titled "*Management of the Partnership – Third-Party Administrator*"; and (j) any other fees or expenses of the General Partner, the Partnership or their affiliates which

are reasonably incurred in connection with the operation of business and maintenance of the Partnership, including fees and expenses of the Partnership's "partnership representative" (collectively, and including the Management Fee and Investment Property Level Fees, the "*Partnership Expenses*"). To the extent such expenses are incurred for the benefit of the Partnership and other entities affiliated with or advised by the General Partner, the General Partner will make a good faith allocation of such expenses among all such entities and the Partnership.

General Partner Expenses. The General Partner or an affiliate thereof will be responsible for (i) the salaries and benefits of employees of the General Partner and its affiliates and for providing office space, related equipment and secretarial services, (ii) Organizational Expenses in excess of $250,000 (not including the Placement Fee or any LP-Paid Broker/Dealer Fees), and (iii) the Placement Fee and any other brokerage fees in respect of the offering and sale of the Units that the General Partner has contracted to pay directly (it being understood that any LP-Paid Broker/Dealer Fees shall be borne by the applicable Fee Paying LP(s), as further described herein), and such costs and expenses will not be borne by the Partnership.

LP-Paid Broker/Dealer Fees. As further described under that section of this Memorandum titled "*Who May Invest; Plan of Offering – Offering,*" certain Limited Partners may incur LP-Paid Broker/Dealer Fees payable to their Participating Broker/Dealers in connection with their investment in the Partnership. Such LP-Paid Broker/Dealer Fees will be paid separately by the applicable Limited Partner incurring such fees and shall not be borne or paid by the Partnership.

Partnership Borrowing: If the General Partner at any time determines that funds are necessary to make an investment or to pay Organizational Expenses or Partnership Expenses, then the General Partner may borrow such funds on behalf of the Partnership or any Property Entity in the sole discretion of the General Partner. The Partnership may also guarantee indebtedness of the Investment Properties. It is anticipated that the Investment Properties will incur leverage averaging between 65-75% loan-to-value, though the Partnership and the Investment Properties may deviate from such expectations as deemed necessary or appropriate by the General Partner.

The General Partner may also advance, through one or more of its affiliates, amounts necessary for investment by the

Partnership or for the payment of Organizational Expenses or Partnership Expenses. Any such borrowings by the Partnership from the General Partner or an affiliate will (i) be unsecured, (ii) bear interest at Prime Rate plus 2% *per annum* and may include other financing charges or fees not in excess of the amounts which would be charged by unrelated lending institutions on comparable loans for the same purpose in the same locality, and (iii) not be subject to any prepayment charge or penalty. As used above, "*Prime Rate*" means the prime rate published from time to time by *The Wall Street Journal* as the U.S. Prime Rate or, if not published by *The Wall Street Journal*, by another business service or publication selected by the General Partner.

Transfers and Liquidity: Transfers of Units will be restricted as set forth in the Partnership Agreement and, generally, any transfer of Units or withdrawal of a Limited Partner will require the General Partner's prior written consent in its sole discretion. The Limited Partner interests are illiquid.

Without the prior approval of a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner), the General Partner shall not: (i) withdraw from the Partnership or (ii) transfer its general partner interest or enter into any agreement in either case that would result in a Key Person Event to the extent not cured as provided herein. Except as provided in the preceding sentence, the General Partner otherwise shall be permitted to transfer its general partner interest in its sole and absolute discretion, including to any of its affiliates and a transfer of its economic interests in the Partnership to any third party.

Compulsory Withdrawals: The General Partner reserves the right to compel the withdrawal or transfer to another Limited Partner or to a qualified third party of any or all of the Units of any Limited Partner if the General Partner determines that, by virtue of that Limited Partner's continued investment in the Partnership: (i) the assets of the Partnership may be characterized as "plan assets" for purposes of ERISA; or (ii) a significant delay, extraordinary expense or material adverse effect on the Partnership or any of its affiliates, any Investment Property or future investments is likely to result. A Limited Partner whose Units are so withdrawn will be entitled to receive, within a reasonable period of time following the compulsory withdrawal, the amount such Limited Partner would have received upon termination of the Partnership if the Partnership had disposed of all of its assets for their fair market value on the date of such withdrawal, as determined by the General Partner in good faith. If the General Partner compels a Limited Partner to transfer its Units and the parties to such

transfer can agree upon a price, such agreed upon price will be the value used. Otherwise, the price will be the same as if such transferring Limited Partner had been compelled to withdraw.

Variation of Terms: The General Partner may, in its sole and absolute discretion, agree to waive or modify the application of any provision of the offering terms with respect to any Limited Partner by side letter or otherwise. It may do so without obtaining the consent of any other Limited Partner and no side letter will necessarily entitle any other Limited Partner to the rights granted in such side letter, which may be more favorable. The costs incurred in connection with the negotiation of side letters will be an expense of the Partnership.

Key Person Event: A "*Key Person Event*" will occur if, at any time during the Investment Period: (i) ASI Multi-Family Impact GP, LLC or any of its affiliates ceases to be the General Partner of the Partnership, (ii) all of: (a) Shawn Horwitz, (b) Edward Lorin, and (c) Russell Ginise (each, a "*Key Person*") (or if applicable, the previously approved Qualified Replacement of any of them) cease to be actively involved in the management of the Partnership; or (iii) upon the death or incapacitation of all Key Persons, the General Partner does not activate its succession plan or have key man insurance. The General Partner has the right to replace Shawn Horwitz, Edward Lorin, or Russell Ginise (or the Qualified Replacement of any of them, as applicable) as a Key Person with the approval of a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner) (each such approved replacement, a "*Qualified Replacement*").

The General Partner will give each Limited Partner notice of a Key Person Event within ten (10) business days of its occurrence and will present recommendations for a Qualified Replacement. If a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner) does not approve a Qualified Replacement within ninety (90) days after the occurrence of a Key Person Event, the Investment Period may be suspended upon the affirmative vote of a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units held by affiliates of the General Partner). A Majority-in-Interest of the Limited Partners (excluding from such calculation the Units held by affiliates of the General Partner) may elect to lift such suspension of the Investment Period at any time and such suspension will be automatically lifted upon the approval by a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner) of the required Qualified Replacement.

Within one hundred eighty (180) days after a Key Person Event, if a Qualified Replacement is not approved by a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner), 67%-in-Interest of the Limited Partners (excluding from such calculation the Units held by affiliates of the General Partner) may elect to terminate the Investment Period and, thereafter, may elect to reinstate it at any time.

Removal of the General Partner:

The General Partner may only be removed for "Good Cause" (defined below) by a vote of 80%-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner). After the removal of the General Partner, the Partnership will terminate unless, within ninety (90) days thereafter, the Limited Partners elect a successor general partner, by a vote of 67%-in-Interest of all Limited Partners, to continue the business of the Partnership.

As used above, the term "Good Cause" means an action or inaction by the General Partner that has been finally determined by non-appealable ruling of 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 this Agreement that, in each case, has a materially adverse effect on the Partnership, or (vi) the occurrence of a Key Person Event where a Qualified Replacement is not approved by a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner) within one hundred eighty (180) days of such event unless, at the time of determination that a Key Person Event has occurred, the Limited Partners have received a Preferred Return and current projections show that the Limited Partners are projected to receive at least a Preferred Return throughout the Term of the Partnership; provided that (A) no such event will constitute Good Cause if timely refuted by the General Partner in accordance with the provisions of the Partnership Agreement, subject to the reasonable approval of (and after written notice provided by) a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units held by affiliates of the General Partner); and (B) 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 Partnership Agreement, after the receipt by the General Partner of written notice of such event from a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units held by affiliates of the General Partner).

Advisory Committee: The General Partner may, but is not obligated to, establish an advisory committee for the Partnership (the "*Advisory Committee*") consisting of at least three (3) and no more than seven (7) representatives of the Limited Partners, as determined by the General Partner and willingness to participate. Each Limited Partner selected to serve on the Advisory Committee may appoint one (1) representative (subject to the General Partner's reasonable approval) to serve on its behalf as a member of the Advisory Committee.

The Advisory Committee will meet from time to time upon request of the General Partner for the purpose of consulting on certain matters presented to the Advisory Committee by the General Partner in its sole discretion, including for example: (i) investment and financing strategies; (ii) status of outstanding investments; (iii) joint investments; and (iv) transactions involving General Partner Affiliates or other conflict situations. Any actions taken by the Advisory Committee will be advisory only, and the General Partner will not be required or otherwise bound to act in accordance with any recommendations made by the Advisory Committee or any of its members. The Advisory Committee shall, however, represent the Limited Partners as a group, and any action or transaction affirmatively approved by the Advisory Committee shall constitute an approval by the Limited Partners with respect to certain affiliate transactions presented to the Advisory Committee as described herein and in the Partnership Agreement.

Limited Partner Approval: If the General Partner solicits a consent or vote from the Limited Partners, each Limited Partner that fails to respond to a request from the General Partner for such consent or vote within twenty (20) days after notice of such request is given shall be deemed to have given the consent or vote requested by the General Partner.

As used herein, the term "*Majority (or other specified percentage) in Interest*" shall mean, as of any time, Partners (other than Defaulting Partners) that represent in excess of 50% (or such other specified percentage) of the aggregate Units of all such Partners as of such time.

Indemnification: The Partnership will indemnify the General Partner, each affiliate thereof and each officer, director, employee, partner or trustee of the General Partner or an affiliate thereof to the fullest extent allowed by Delaware law against claims, costs, expenses, damages, losses, judgments, liabilities, and amounts paid in settlement of any claims sustained by them in connection with

	the Partnership, provided that their course of conduct or omission did not constitute gross negligence, intentional misconduct, bad faith, or fraud in connection with the performance of its obligations under the Partnership Agreement, or a material breach of the Partnership Agreement that has a materially adverse effect on the Partnership or the Limited Partners as a whole, in each case, as finally determined by non-appealable order of a court of competent jurisdiction. The Partnership will also indemnify, to the fullest extent permitted by law, each member of the Advisory Committee (and any Limited Partner whose representative is such member) against any claims, costs, expenses, damages, losses, judgments, and liabilities arising from serving on the Advisory Committee unless they arose from willful malfeasance or actions taken or omitted to be taken by such member in bad faith. Other than the obligation to act in good faith, the members of the Advisory Committee do not owe a fiduciary duty to the Partnership or to any other Limited Partner.
Partner Giveback:	Each Partner (including any former Partner) may be required, in the General Partner's sole discretion, to return amounts distributed to such Partner or former Partner (or any of its predecessors in interest) by way of distribution or withdrawal for the purpose of meeting such Partner's share of any taxes, interest, penalties, or similar amounts ("*Giveback Obligation*") the cost of which is borne by the Partnership (directly or indirectly) that relate to any period during which such Partner or former Partner (or any of its predecessors in interest) held an interest in the Partnership.
Risks:	An investment in the Partnership is highly speculative and illiquid, involving a high degree of risk, including the risk of loss of all or a portion of such investment. An investment also is subject to potential and actual conflicts of interest. Any prospective investor must review this Memorandum in its entirety, including the sections entitled "Certain Risk Considerations" and "Certain Conflicts of Interest" prior to making an investment decision.
Parallel Funds; **Alternative Investment Vehicles; Feeder Funds**:	The General Partner may establish one or more parallel funds or alternative investment vehicles to accommodate the legal, tax or regulatory requirements of certain investors. The terms and conditions of each such parallel fund or alternative investment vehicle will be substantially identical in all material respects to those of the Partnership (except as necessary or advisable to accommodate such legal, tax or regulatory requirements). Any such parallel fund or alternative investment vehicle will be managed by the General Partner or its affiliates.

A parallel fund generally will invest side by side with the Partnership in all investments on the basis of available capital and be responsible for its *pro rata* share of Partnership Expenses. Investments made through any alternative investment vehicle will generally function on a substantially equivalent economic basis as if made (directly or indirectly) through the Partnership. The General Partner may also establish one or more feeder funds or vehicles to invest directly in the Partnership as a Limited Partner to accommodate the legal, tax or regulatory requirements of certain investors, which feeder funds or vehicles would be managed by the General Partner or its affiliates and subject to such terms and conditions as are determined by the General Partner in its discretion. The costs and expenses of establishing any such feeder fund or vehicle shall be allocated among such funds and vehicles and the Partnership in the discretion of the General Partner.

Joint Investments: The Partnership may from time to time invest in one or more Investment Properties jointly with another equity fund or account managed by an affiliate of the General Partner or with any other third party. In any such case, the General Partner will use its reasonable best efforts to cause the Partnership to retain sufficient control of each Investment Property such that the Partnership is not deemed to be investing in "securities" for purposes of the Investment Company Act of 1940 (the "*Company Act*") or the Investment Advisers Act of 1940 (the "*Advisers Act*"), each as amended.

ERISA Investors: The Partnership will use its reasonable best efforts to limit investments by "benefit plan investors" to less than 25% of the total value of each class of equity interests of the Partnership. This means that the General Partner will not be a fiduciary, under ERISA, to employee benefit plan investors and the transactions entered into by the Partnership will not be subject to the prohibited transaction restrictions of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (the "*Code*").

Tax/UBTI Considerations: The Partnership intends to be classified as a partnership for U.S. federal income tax purposes. The Partnership does not expect to be a publicly traded partnership taxable as a corporation. Accordingly, the Partnership generally should not be subject to U.S. federal income tax. Rather, each Partner will be required to report on its own annual tax return such Partner's allocable share of the Partnership's taxable income or loss. The Partnership may generate unrelated business taxable income ("*UBTI*") for tax-exempt investors depending upon the level and nature of leverage, as well as the types of real estate activities the Partnership undertakes, and certain other factors. *See* "Certain U.S. Federal Income Tax Considerations."

Reports; Audits; Tax Returns: Within 60 days after the close of each fiscal quarter (or as soon as reasonably practicable thereafter), the General Partner will transmit to each Limited Partner a progress report on each of the Investment Properties and a statement of such Limited Partner's capital account.

The General Partner will transmit to the Limited Partners within 120 days after the close of each fiscal year (or as soon thereafter as reasonably practicable) financial statements of the Partnership audited by an independent third party auditor selected by the General Partner, in each case, prepared in accordance with U.S. generally accepted accounting principles. The General Partner will also provide to the Limited Partners, for each of the first three fiscal quarters, unaudited financial statements for the Partnership within 60 days after the close of each such fiscal quarter (or as soon as reasonably practicable thereafter). All statements provided to the Limited Partners will be at the Partnership's expense.

For each fiscal year during which the Partnership holds an interest in any Investment Property, the General Partner shall additionally transmit to the Limited Partners within one hundred twenty (120) days after the close of each fiscal year (or as soon thereafter as reasonably practicable) an annual impact report summarizing certain community and social impacts of the Partnership's investments during such period, which may, but is not required to, include the following types of information: (i) number of units of affordable housing preserved and/or created; (ii) average resident income relative to Area Median Income (AMI); (iii) percentage of units held by, and/or percentage of census tract population comprised of, minority populations; (iv) sustainability initiatives and impacts related to Investment Properties, such as water or energy savings; and/or (v) services and conservation and other improvements provided for residents and Investment Properties.

The General Partner will cause the Partnership's tax return and IRS Form 1065, Schedule K-1s, 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 Partnership's fiscal year (or as soon thereafter as reasonably practicable, which may be after April 15). Limited Partners should be prepared to obtain extensions of the filing date for their income tax returns at the federal, state and local levels.

Legal Counsel: Holland & Knight LLP serves as counsel to an affiliate of the General Partner and may perform services for the Partnership,

	the General Partner, or their respective affiliates in the future. Holland & Knight LLP will not represent and has not represented the prospective investors in the course of the organization of the Partnership, the negotiation of its business terms, the offering of the Units or in respect of the Partnership's ongoing operations.
Auditor:	CohnReznick LLP serves as the auditor to the Partnership.

INVESTMENT OBJECTIVES AND STRATEGY

General

The Partnership was formed to seek current income and capital appreciation through the acquisition, renovation, redevelopment, repositioning, enhancement and operation of existing real estate assets (each, an "*Investment Property*" and, collectively, "*Investment Properties*"), either directly or indirectly through one or more controlled subsidiaries ("*Property Entities*"), for use as multi-family housing complexes that have or will have an "affordable housing" component and/or a "workforce housing" focus. For purposes of this Memorandum, (A) "affordable housing" refers to multi-family housing where some or all of the units are generally targeted to renters earning 80% or less of Area Median Income (as determined by the United States Department of Housing and Urban Development using census data), which may be developed with subsidies and/or tax credits and which may have rent restrictions, and (B) "workforce housing" refers to multi-family housing that is generally targeted to renters earning 80-120% of Area Median Income, and which is generally not subject to a written regulatory agreement and has naturally occurring affordable rents. In carrying out the Partnership's investment purpose, the General Partner expects that: (i) the Partnership will invest in approximately three (3) to eight (8) Investment Properties, (ii) at least fifty percent (50%) of the Investment Properties will have an affordable housing component, and (iii) the Investment Properties will be located in census tracts with a minority population of at least fifty percent (50%), though the Partnership may deviate from such expectations as deemed necessary or appropriate by the General Partner. The Partnership aims to acquire, strategically enhance or improve, and operate its Investment Properties to maximize operating performance, value, and affordability.

ASI Multi-Family Impact GP, LLC, a Delaware limited liability company, is the Partnership's general partner (the "*General Partner*"). The General Partner was formed solely for the purpose of serving as the general partner of the Partnership and is 75% owned and controlled, directly or indirectly, by Alliant Strategic Investments II, LLC, a Delaware limited liability company ("*ASI*"), and 25% owned by CommonGood Capital LLC, a Florida limited liability company ("*CGC*"). ASI is owned 50% by Strategic Realty Holdings LLC, a Delaware limited liability company ("*Strategic*") and 50% by Palm Drive Associates, LLC, a Delaware limited liability company ("*Palm Drive*"). CGC is owned by Jeff Shafer and is the sole owner of the Broker.

The Partnership is targeting $25-50 million in capital commitments from qualified investors (who, upon acceptance by the General Partner will become Limited Partners in the Partnership), together with the General Partner. The General Partner will determine the final offering amount in its sole discretion.

Market Opportunity and Analysis

The General Partner believes that now, more than ever, affordable and workforce housing is needed, and that access to a safe, clean, affordable home is a catalyst for enriched lives and healthier communities.

Renter demand for affordable and workforce housing significantly exceeds supply and continues to grow. The shortage of affordable housing in the U.S. for the lowest income renters exceeds 7 million units.[1] Fewer than four affordable units are available for every ten eligible low-income renters.[2] In addition, while approximately 13.5 million people live in workforce housing, only a small amount of workforce housing has been built in recent years and many older apartment communities serving these renters have been demolished to accommodate the development of higher-end properties.[3] In fact, more than 100,000 units of multifamily housing, predominantly workforce and affordable units, are removed each year due to obsolescence.[4] This imbalance places even more importance on preserving the available, existing affordable and workforce housing stock.

The General Partner believes that the demand for affordable and workforce housing is overwhelming; 36% of the U.S. population, about 110 million people, live in rental housing.[5] In addition, about 54% of minority households rent (approximately twice as likely to rent as white households) and 65% of individuals under the age of 35 are renters.[6] Of this population, affordable and workforce housing renters can be generally thought of as "renters by necessity" because the cost burden to buy a house is prohibitive, while renters in Class "A" multi-family are generally thought of as "renters by choice." According to recent studies, rent now consumes a larger percentage of income for those yet to own a home, which diminishes savings and spending capacity of those individuals and creates a population of "renters by necessity."[7] This issue is especially pronounced in minority communities, as people of color have far higher cost-burden rates and far lower homeownership rates than white households. In 2019, approximately 43 percent of Black, 40 percent of Hispanic, and 32 percent of Asian households spent more than 30 percent of their incomes on housing, compared with 25 percent of white households.[8]

At the same time, the supply of affordable and workforce housing has not kept pace with this increasing demand. 73% of renter households earn less than $75,000 annually, yet the vast majority of new multifamily construction is in Class "A" units, which are beyond reach for lower wage earners (i.e., renters by necessity).[9] In addition, the supply of affordable and workforce

---

[1] National Low-Income Housing Coalition, "NLIHC" 2020 (*see* https://reports.nlihc.org/gap and https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2020.pdf).
[2] NLIHC, 2020 (*see* above).
[3] Workforce Housing Well Positioned to Outperform Market; Strong Case for Investment, CBRE Analysis Finds, November 29, 2018, CBRE (*see* https://www.cbre.us/about/media-center/the-case-for-workforce-housing).
[4] Workforce Housing Well Positioned to Outperform Market; Strong Case for Investment, CBRE Analysis Finds, November 29, 2018, CBRE (*see* above).
[5] U.S. Census Bureau (*see e.g.*, https://www.jchs.harvard.edu/harvard-jchs/sites/default/files/son_2016_200dpi_ch5.pdf).
[6] Fannie Mae Multi Family Market Commentary (*see* https://multifamily.fanniemae.com/news-insights/multifamily-market-commentary/growing-mismatch-between-multifamily-supply-and-renter); and Pew Research (*see* https://www.pewresearch.org/fact-tank/2017/07/19/more-u-s-households-are-renting-than-at-any-point-in-50-years/).
[7] Federal Reserve Economic Data (FRED) as of June 2020.
[8] The State of the Nation's Housing 2020, Joint Center for Housing Studies of Harvard University (*see* https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2020_Report_Revised_120720.pdf).
[9] Vision 2021, JLL (*see* https://www.us.jll.com/en/trends-and-insights/research/2021-real-estate-vision).

units is shrinking, rather than increasing, as new construction has not kept pace with demand. Current production of affordable housing units will replace only a portion, about half, of what is at risk of loss.[10] As discussed above, the obsolescence of aging buildings is further reducing the inventory of workforce housing. This supply shortage is prevalent across the United States, but the severity fluctuates by market.[11] As household formations continue to grow, the General Partner believes that the need for all types of housing, especially affordable and workforce housing, will continue to grow faster than new construction, and that addressing this market shortage requires an effort to preserve and enhance existing properties, in addition to building new housing.

The General Partner favors investments in affordable and workforce housing properties because of the deep renter demand for the product, the absence of adequate supply now or in the foreseeable future, the social impact, and the barriers to entry - largely due to the extensive regulatory environment for affordable housing, combined with the breadth of experience and industry relationships of the principals and leadership team at ASI and the other General Partner Affiliates. The General Partner believes there is both significant need and opportunity to refresh and enhance the current supply of affordable and workforce housing through individualized plans, physical improvements, financial optimization, security evaluation, resident impact programs and sustainability efforts.

In affordable housing there is another significant trend that creates this need and opportunity. Nearly 3.5 million federally subsidized units, including LIHTC, Section 8 and other support, are expiring by the end of 2029.[12] Currently, there are 1.2 million LIHTC units now past their initial 15-year compliance and at risk of falling out of affordability.[13] These assets can be viewed as in transition. They either will be sold to market rate buyers who will put new capital in the projects that then are repriced out of affordability, or these properties require an individualized plan to refresh and enhance the asset for its tenants while remaining affordable.

COVID-19 has impacted our economy and negatively impacted incomes of many "renters by necessity". Unfortunately, COVID-19 is also expected to widen the gap between the supply and demand for affordable and workforce housing. According to the Joint Center for Housing Studies of Harvard University, "[t]he economic dislocation caused by the pandemic has underscored the fundamental importance of secure, adequate, and affordable housing for all" and has also "revealed just how many millions of cost-burdened households struggle to keep a roof over their heads."[14]

The pandemic and subsequent economic disaster has disproportionately affected low-income renters while also slowing down development of housing. At least 3 million renters who were employed at the beginning of March 2020, lost jobs and were still out of work in November

[10] Preserving Multifamily Workforce and Affordable Housing, Stockton Williams, Urban Land Institute, 2015.
[11] Fannie Mae Multi Family Market Commentary (*see* above).
[12] National Housing Preservation Database, 2020.
[13] 2020 Picture of Preservation, Joint Report by Public and Affordable Housing Research Corporation and National Low Income Housing Coalition (*see* https://preservationdatabase.org/wp-content/uploads/2020/05/NHPD_2020Report.pdf); NLIHC, 2020 (*see* above).
[14] The State of the Nation's Housing 2020, Joint Center for Housing Studies of Harvard University (*see* above).

2020.[15] That total doesn't fully account for those renters who lost "Gig Economy" work or those whose incomes were substantially reduced. According to the Census Bureau's Household Pulse Survey, a high proportion of lower-income households reported suffering pandemic-related income losses between mid-March and September 2020, including 49 percent of households earning less than $25,000 and 45 percent of households earning between $25,000 and $49,999.[16] Reported income losses during that period were also higher among renters (at ~50%) than homeowners (at ~37%).[17] Minority communities have been disproportionately hard hit, with approximately 54 percent of Hispanic households, 48 percent of Black households and 42 percent of Asian households reporting income losses over this period, compared to 37 percent of white households.[18] Nevertheless, occupancy and collections within the affordable and workforce housing space remain strong compared to the Class "A" multifamily space.[19]

ASI's own experience is consistent with those findings. As discussed further below, an affiliate of ASI is the sponsor of Alliant Strategic Preservation Fund II, Ltd., a Florida limited partnership ("*Fund II*"), which was launched in 2016 with an investment focus on affordable and workforce housing. Occupancy in the six properties held in Fund II closed 2020 at an average of 95.63%. Collections were also stronger than many had expected, given the substantial challenges that residents faced as a result of the pandemic. Rent payments were somewhat slower than in prior periods, but most of the properties held in Fund II were ultimately able to catch up on rent collections, albeit typically after month-end. Average collections at the properties held by Fund II, on a monthly basis, were consistent throughout 2020 at 94.29%, with some properties requiring 30 to 90 days after month-end to achieve that collection average.[20]

The General Partner believes that the reason that affordable and workforce housing continued to perform well during the pandemic is that quality, affordable housing is a precious commodity and those who have it will strive to keep it. Residents have appeared to prioritize paying for housing over other important needs, including education, elective health care and even essential personal items.

During the pandemic, most of the properties held in ASI's portfolio have been subject to the Federal or various state and local moratoriums on evictions of residents for non-payment of rent. ASI has taken the position that evicting residents who consistently met their lease obligations prior to COVID-19 does not achieve the long-term objectives of its properties, its business plans, its investor partners, or residents. Accordingly, during the pandemic ASI instructed its property managers to, whenever possible, work with and support residents by taking steps to provide for their physical, emotional, and economic health and wellness. To that end, ASI and its property managers have:

- Increased the frequency of cleaning and sanitizing of all public spaces
- Added signs and physical barriers to emphasize and maintain social distancing

[15] Zillow – Globe St., January 13, 2021.
[16] The State of the Nation's Housing 2020, Joint Center for Housing Studies of Harvard University (*see* above).
[17] The State of the Nation's Housing 2020, Joint Center for Housing Studies of Harvard University (*see* above).
[18] The State of the Nation's Housing 2020, Joint Center for Housing Studies of Harvard University (*see* above).
[19] Vision 2021, JLL (*see* above).
[20] Average collections figure for Fund II excludes one property that was acquired in the middle of the pandemic.

- Closed or limited access to common areas, including business centers, fitness centers and swimming pools
- Provided face coverings to all residents and staff
- Sought and shared, with residents, information regarding health and safety practices, economic assistance, subsidies and employment opportunities
- Offered payment plans to those who needed them
- Worked with state and local authorities to access grants or subsidies to relieve some of the past-due rent payment burden

In seeking new investment opportunities in affordable and workforce housing during the pandemic, the General Partner Affiliates have also become practiced at inspecting potential acquisitions while adhering to established safety protocols, which has not materially affected the ability to consider and assess properties that might fit the Partnership's investment profile. Further, based upon information that the General Partner Affiliates regularly glean from multifamily owners, lender, operators and brokers, the General Partner believes that the flow of properties available for acquisition in 2021 and 2022 will be close to, if not the same as, in the past few years leading up to the pandemic.

Investment Objectives and Strategy

In the face of this increasing demand and constrained supply, the Partnership is being formed to make investments that will help to create and preserve critically needed affordable and workforce housing. Drawing on the expertise of ACL, SRC, CGC and their respective affiliates, the General Partner intends to use its proprietary underwriting processes and procedures, considering and assessing over 100 factors that are both national in scope and locally derived, to identify appropriate Investment Properties and execute on the Partnership's investment objectives.

The Partnership's objectives are to: (1) acquire Investment Properties that the General Partner views as underperforming or otherwise at attractive prices; (2) strategically enhance or improve such Investment Properties to improve rent rolls and net operating income and increase valuations; (3) manage the Investment Properties to provide near-term cash flow and a stabilized and financeable operating history, while maintaining affordability for area residents; and (4) dispose of the Investment Properties upon achievement of what the General Partner believes to be attractive sale value therefor.

Attainment of the Partnership's investment objectives will depend upon many factors, including the General Partner's ability to correctly identify, and the availability of, suitable Investment Properties, its successful management and financial operations of the Investment Properties, repayment of the Partnership's debt, and future economic conditions (local and national). No assurance is given that the Partnership will meet its investment objectives.

Strategic Enhancement and Impact Strategies

The General Partner's strategic enhancements of and improvements to Investment Properties will take different forms and in all cases will be tailored to the specific needs of the Investment Property and the surrounding community. Examples of the types of strategic enhancements that may be implemented at Investment Properties are set forth below:

Physical Improvements	• Renovations to units and common areas that create meaningful value • Individualized approach to each property, rather than one-size-fits-all • May include exterior and interior paint, flooring, appliances, leasing offices, entry signage, parking areas, play areas, or laundry facilities
Property Optimization	• Implementing cost savings initiatives and property management improvements • Potential for accretive refinancing opportunities following our underwritten operational and physical enhancements
Resident Impact	• Increasing affordability through operational expertise and tax credit accessibility • Developing resident programs alongside non-profit partners and local organizations • Improving the wellbeing of our residents with a safe and affordable home • See specific resident activities and programs below

In undertaking its investment program, the Partnership intends to create a positive impact in the communities in which Investment Properties are located by providing a safe, healthy and stable environment. The following table provides illustrative examples of the types of specific resident activities and programs that may be implemented at Investment Properties, as well as their desired outcomes:

Category	Activities	Outcomes
Health & Wellness	Health classes, walking paths, planting vegetable gardens, nutrition guidance, mental health assistance, on-staff nurses, social workers/social services available, fitness rooms	Reduced obesity, healthier communities, improved quality of life
Financial Wellbeing	Financial counseling & planning classes, COVID-19 rental assistance & support.	Improved financial health, stability and outlook, balanced finances, individual development
Safety	Property checklists, cameras onsite, pandemic preparedness, keycard entry systems, safety classes	Safer communities, reduced crime, better security
Education	After school programs, reading classes, tutor programs, science fairs, job assistance activities, computer classes	Reduced unemployment, increased graduation statistics, improved school performance and test scores, improved computer literacy

To provide for maximum efficacy and impact, all strategic enhancements, programs and activities will be specifically designed to meet the needs of each community and Investment Property. For avoidance of doubt, there is no guarantee that any such enhancements, programs or activities will be implemented at any given Investment Property, or that any of the outcomes described above will be achieved.

Affiliate Experience

The General Partner intends to utilize the extensive experience of ASI and its principals and affiliates in the development, management, investment, repositioning, and sale of multifamily properties in the United States in order to optimize risk-adjusted returns. Affiliates of ASI are the sponsors of Alliant Strategic Preservation Fund II, Ltd., a Florida limited partnership ("*Fund II*"), which was launched in 2016, and Alliant Strategic Preservation Fund III, LP, a Delaware limited partnership ("Fund III"). Fund II has completed its offering and investment period, and has deployed its capital into a total of 7 properties, one of which has been sold as of the date of this Memorandum. Fund III is expected to be formed in 2021, is currently fundraising and has not yet made its first investment. Like the Partnership, Fund II and Fund III each have an

investment focus on affordable and workforce housing. However, Fund II and Fund III differ from the Partnership in that they are primarily marketed to institutional investors and target investments which are located in specific, targeted locations that are projected to provide credit under the Community Reinvestment Act for the regulated financial institutions invested in those funds. In addition, Fund II and Fund III are subject to different terms than the Partnership, including that both Fund II and Fund III contemplate investments in properties through joint ventures which are controlled by third party developers, whereas the Partnership will, directly or indirectly through one or more Property Entities, retain control of each Investment Property. An overview of Fund II's investments is provided in the chart below.

ALLIANT STRATEGIC PRESERVATION FUND II, LTD.
SUMMARY INVESTMENT PERFORMANCE DATA

FUND II INVESTMENT PROPERTY NAME	No. of Units	MSA	ACQUISITION DATE	GROSS MOIC[21]
Sienna Townhomes	195	Las Vegas-Henderson	11/18/2016	3.49x
Villas of Sorrento	220	Dallas-Fort Worth	11/18/2016	5.84x
Oak Chase[22]	328	Tampa, FL	11/22/2016	1.48x
Rochester Highland	504	Rochester	11/27/2017	2.74x
Broadway West	114	New York-Newark	12/29/2017	0.87x
Parkland Village	159	DC-VA-MD	10/21/2019	1.00x
Stony Brook Village	98	Boston-Cambridge	02/21/2020	NMF[23]

Investment Policies and Procedures

The Partnership intends to acquire and invest in Investment Properties through other controlled limited partnerships or limited liability companies (the "*Property Entities*") that will own and operate each Investment Property consistent with the Partnership's investment

[21] MOIC return information is cumulative as of December 31, 2020 (or in the case of Oak Chase to date of disposition) and presented net of property-level fees but gross of management fees and carried interest paid by investors in Fund II. Past performance is not indicative of future results.
[22] Sold 1/24/2020.
[23] NMF means No Material Figure.

objectives. Except in the event of a joint investment (discussed below), the General Partner expects that the Partnership will hold all, or substantially all, of the equity in each Property Entity.

Investment Properties may be located anywhere in the United States, its territories and possessions. It is the intention of the General Partner to seek some diversity in the locations of the Investment Properties, with the expectation that the Investment Properties will be located in census tracts with a minority population of at least fifty percent (50%). However, the degree of diversification will depend, in part, on the amount of Capital Commitments received by the Partnership.

Due Diligence. Prior to making an investment, the General Partner will generally examine the market, location, design, and financing of each Investment Property. The General Partner's due diligence will generally include a review of historical operations of the prospective Investment Property, available market studies, financing and other documentation related to the acquisition, financing and development of the Investment Property, analysis of data to obtain mortgage loan commitments, geographic distribution, proposed rents and operating expenses, general rental market conditions in the area of the proposed Investment Property (including vacancy rates), the operating expenses of comparable Investment Properties, and the potential of the Investment Property to provide current and near-term net cash flow and acceptable distributions of sale or refinancing proceeds to the Partnership. The General Partner's due diligence will also generally encompass a review of legal, physical, environmental and property condition information, including title reports and underlying documents, surveys, insurance coverage, leases, permits and zoning. The General Partner will generally investigate the condition of the Investment Property and, among other investigations, intends to engage third-party consultants to perform appropriate environmental site and physical needs assessments and prepare property condition reports. The General Partner intends to obtain a probable maximum loss study regarding the potential for seismic damage for any Investment Properties located in zones that have a high potential for seismic activity in the states of California, Oregon, Washington and elsewhere, as warranted.

With respect to each Property Entity through which the Partnership will hold an Investment Property, the General Partner will seek to ensure that (i) the applicable Property Entity has title to its Investment Property, and (ii) that the Property Entity is duly formed and validly existing as a limited partnership or limited liability entity under the laws of its state of origin. Further, in the event of any joint investment made by the Partnership, the General Partner will use its reasonable best efforts to cause the Partnership to retain sufficient control of each Property Entity and Investment Property such that the Partnership is not deemed to be investing in "securities" for purposes of the Company Act or the Advisers Act.

Investment Committee. Each investment to be made by the Partnership in an Investment Property, and certain other material decisions with respect to Investment Properties (e.g., financing and disposition decisions), will require the approval of the Partnership's investment committee (the "*Investment Committee*"), which is comprised of senior executives of ASI and one senior executive of CGC. To inform each such decision, personnel of the General Partner shall prepare and present a researched report for review and consideration by the Investment Committee, which report shall include such information and analysis as the Investment

Committee deems appropriate to make its decision. The types of information and analysis included in such reports may include:

- Projected financial performance, including projected debt and equity summaries;
- Market research and analysis, including the results of any commissioned market or valuation report;
- Summary of development and management teams, and related experience;
- Material risks and proposed mitigants;
- Summary of due diligence, including legal, physical and environmental;
- Environmental, social and corporate governance (ESG) factors;
- Timing considerations and any further applicable conditions; and
- Checklist of compliance with Partnership investment policies and other applicable ASI policies and procedures.

These reports are subject to further refinement and modification based upon ongoing analysis and feedback, including from the Investment Committee, to ensure alignment with the Partnership's investment objectives and policies. Ultimately, Investment Committee approval requires the unanimous consent of its voting members.

HUD Approval. The Partnership will not acquire any Investment Property that requires the approval of the United States Department of Housing and Urban Development ("*HUD*") for such acquisition until such approval is obtained from HUD. If an Investment Property in which the Partnership intends to invest has HUD assistance or insurance (*e.g.*, project based Section 8 assistance, FHA mortgage insurance, or USDA-FmHA financed mortgages) or any other type of financing that necessitates the filing of a Form 2530 Previous Participation Certificate, Limited Liability Corporate Investor Certificate or other similar certificate with HUD (a "*Previous Participation Certification*"), the General Partner will notify those Limited Partners (generally Limited Partners who, at the end of the Subscription Period, will own an indirect interest of twenty-five percent (25%) or more in the relevant Property Entity), if any, from which information is required for such Previous Participation Certification and will provide adequate information to such Limited Partners to enable them to file any additional documents with HUD. Such information will include, but not be limited to, the following:

1. Type of financing and governmental agency providing such assistance, FHA project number, Section 8 contract number or other agency identification number (if any);

2. Closing date/date of receipt of assistance;

3. Date that the Property Entity ownership is intended to be acquired by the Partnership;

4. Property address and last inspection date/rating;

5. Status of any pre-existing loan on the property (current, defaulted, assigned or foreclosed) and if ever defaulted, an explanation as to the causes of such default/foreclosure; and

6. Name of the Property Entity.

Borrowing Policies

The General Partner will seek to obtain a commitment or commitments for mortgage or such other financing as the General Partner deems sufficient, in the exercise of its reasonable business judgment (which may include those issued by the General Partner or its affiliates), together with any other funding sources, to acquire and complete any desired renovation of each Investment Property.

Mortgage Loans. The General Partner intends to obtain, with respect to each Investment Property, a commitment for mortgage financing with a term that approximates the projected hold period or such other period as the General Partner determines is appropriate, and with an interest rate and such other terms and conditions as are deemed appropriate by the General Partner. It is anticipated that the Investment Properties will incur leverage with an approximately 65-75% loan-to-value ratio in aggregate, though the Partnership and the Investment Properties may deviate from such expectation as deemed necessary or appropriate by the General Partner. The General Partner or any Limited Partner (a "*Mortgagee Partner*") may, at any time, make, guarantee, own, acquire or otherwise credit enhance, in whole or in part, a loan secured by a mortgage, deed of trust, trust deed, or other security instrument encumbering any Investment Property (a "*Mortgage Loan*"). The Partnership will not have any interest in any such Mortgage Loan. *See* "Certain Conflicts of Interest—Mortgage Loans."

In order to finance certain Investment Properties, the General Partner may obtain permanent financing from government programs which offer below market rate financing terms. Some of the financing programs that may be utilized involve governmental restrictions imposed upon the owners of the Investment Properties receiving such financing, including restrictions on tenant eligibility, rent increases and disposition of an Investment Property. Such restrictions may severely restrict the proceeds to be distributed to the owners of such Investment Properties. In addition, such restrictions often include a long-term commitment to occupancy by low-income tenants and restrictions on the ability to sell such Investment Properties, restrictions which can severely limit the ability of the partnership to profitably sell its Investment Properties. *See* "Certain Risk Considerations—Significant Costs of Complying with Laws, Regulations and Covenants."

Partnership Credit Facility. If the General Partner at any time determines that funds are necessary for investment in Investment Properties or to pay Organizational Expenses or Partnership Expenses, then the General Partner (or an affiliate thereof) may borrow such funds on behalf of the Partnership pursuant to a credit facility ("*Partnership Credit Facility*") which may be secured by assets of the Partnership, including the unfunded Capital Commitments of the Partners. The Partnership will be responsible for the repayment of any advances made under a Partnership Credit Facility, together with an amount equal to interest and other borrowing costs incurred thereunder, including any ongoing undrawn credit facility fees.

Affiliated Loans and Warehoused Investments. If the General Partner at any time determines that funds are necessary for investments in Investment Properties or to pay Organizational Expenses or Partnership Expenses, then the General Partner (or an affiliate thereof) may advance such funds through one or more of its affiliates. Any such borrowings by the Partnership from the General Partner or an affiliate will (i) be unsecured, (ii) bear interest

at Prime Rate plus 2% *per annum* and may include other financing charges or fees not in excess of the amounts which would be charged by unrelated lending institutions on comparable loans for the same purpose in the same locality, and (iii) not be subject to any prepayment charge or penalty. As used above, "*Prime Rate*" means the prime rate published from time to time by *The Wall Street Journal* as the U.S. Prime Rate or, if not published by *The Wall Street Journal*, by another business service or publication selected by the General Partner.

The Partnership may purchase from the General Partner or its affiliates certain Investment Properties (or limited partnership or membership interests in Property Entities that have been formed to acquire and operate Investment Properties) previously acquired by the General Partner or a General Partner Affiliate ("*Warehoused Investments*") at the price paid by the General Partner or its affiliates therefor, plus interest not to exceed 8% *per annum*. Any Warehoused Investments acquired by the Partnership after the date of this Memorandum, will bear interest at Prime Rate plus 2% *per annum* and may include other financing charges or fees not in excess of the amounts which would be charged by unrelated lending institutions on comparable loans for the same purpose in the same locality. To the extent the General Partner or a General Partner Affiliate acquires any Warehoused Investment on behalf of the Partnership during the Subscription Period, the General Partner will provide to all Limited Partners and prospective investors, in addition to this Memorandum, supplemental materials describing such Warehoused Investment.

Regulatory Restrictions

To the extent a Property Entity receives (or has in the past received) any form of local, state or federal assistance (including mortgage insurance, rental assistance payments, mortgage financing, interest reduction payments, bond financing, tax credits, or any other form of government loan, grant, insurance or guaranty) ("*Government Assistance*"), it may be restricted in the manner in which it can operate its Investment Property by agreements with any regulatory agency providing Government Assistance. *See* "Certain Risk Considerations— Significant Costs of Complying with Laws, Regulations and Covenants."

Also, to the extent that the Partnership acquires an Investment Property subject to the federal low-income housing tax credit program under Section 42 of the Internal Revenue Code (the "*Code*"), such Investment Property is likely to be subject to an extended low-income housing use commitment with the applicable credit agency. This commitment will provide, among other things, that the percentage of the building devoted to occupancy by qualified low-income tenants will not be less than the "applicable fraction" specified in the agreement during the extended use period, *i.e.*, a period ending no sooner than fifteen (15) years after the close of the fifteen (15) year compliance period that begins in the first year in which tax credits under Section 42 of the Code (the "*Low-Income Housing Tax Credits*") were claimed. This commitment agreement will be binding on all successors of the owner, must be enforceable by any person who meets the income limitations applicable to the building in a state court, and must be recorded pursuant to state law as a restrictive covenant. There are two events which may terminate an extended use commitment prior to its term: (1) if the building is acquired by foreclosure which is not part of an arrangement to avoid the extended use commitment; or (2) if the housing credit agency is, under the circumstances described below, unable to present a "qualified contract" for the acquisition of the low-income portion of the building by a person

who will continue to operate such portion as a qualified low-income building. A "qualified contract" is a contract to acquire the low-income portion of the building for an amount not less than the "applicable fraction" times the sum of (a) the outstanding indebtedness secured by the building plus (b) the "adjusted investor equity" in the building plus (c) other capital contributions not reflected in (a) and (b) above reduced by (d) cash distributions from (or available for distribution from) the building. "Adjusted investor equity" means, generally, the aggregate amount of cash which investors have invested with respect to the building (but only to the extent that there was an obligation to invest such amount as of the beginning of the credit period and only to the extent such amount is reflected in the adjusted basis of the Investment Property) increased by an annual adjustment based on the consumer price index (subject to a limitation on annual increases in excess of five percent (5%)). The non-low-income units must be sold at the same time for their fair market value. Unless stricter requirements are imposed by state law or in connection with the commitment agreement with the credit agency, a building owner may submit a written request to the housing credit agency to find a buyer after the fourteenth (14^{th}) year of the compliance period and, if the credit agency does not locate a buyer under a qualified contract within a one (1) year period after such request, the extended use commitment is terminated. In recent years most, if not all, state credit agencies have required, as a condition to reserving or allocating federal Low-Income Housing Tax Credits for a particular development, that the developer of such development (x) waive its right to request that the applicable housing credit agency seek a buyer under a qualified contract, and (y) commit to an extended use commitment significantly in excess of thirty (30) years (for example, it is common to see credit agencies require extended use commitments of fifty-five (55) years). Termination of the extended use period under the Code does not permit either the eviction or termination of tenancy of any existing tenant of any low-income unit other than for cause or permit any increase in gross rent with respect to such a unit during the three (3) year period following such termination.

The Low-Income Housing Tax Credit is available with respect to "qualified low-income housing projects" that is, residential rental Investment Property in which (a) 20% or more of the aggregate residential rental units are occupied by tenants with incomes of 50% or less of area median income, as adjusted for family size (the "*20-50 Set-Aside Test*"), (b) 40% or more of the aggregate residential rental units are occupied by tenants with incomes of 60% or less of area median income, as adjusted for family size (the "*40-60 Set-Aside Test*"), or (c) 40% or more of the aggregate residential rental units are occupied by tenants whose incomes do not exceed the "imputed income limitation" designated by the taxpayer (which imputed income limitations may not exceed 80% of area median income), provided that the average imputed income limitations of such units is 60% or less of area median income, as adjusted for family size (the "*Average Income Test*"). Such tests are referred to herein as the "*Minimum Set-Aside Test*". Additionally, the gross rent charged to tenants of units comprising the Minimum Set-Aside Test cannot exceed 30% of the applicable Set Aside income (50% or 60% of area median income) for a family of a specified size (the "*Rent Restriction Test*"). Family size for this purpose is determined as if a dwelling unit with no bedrooms is occupied by one person and all other dwelling units are occupied by 1.5 persons per bedroom, rather than on actual family size of the tenants. The gross rent limitation applies only to payments made directly by the tenant; rental assistance payments made on behalf of the tenant under Section 8 of the United States Housing Act of 1937 (the "*Housing Act*") or any comparable federal, state or local rental assistance program are not included in gross rent. An Investment Property must, in general, meet the

requirements with respect to the Minimum Set-Aside Test and the Rent Restriction Test not later than the end of the first year of the credit period. To the extent applicable to any Investment Property, the General Partner or its affiliate will be required to certify annually that the Investment Property meets the Minimum Set-Aside Test and the Rent Restriction Test. The taxpayer must elect which of the Minimum Set-Aside Tests it proposes to meet, and, once made, the election is irrevocable.

Section 42 of the Code also requires that, in order for a Low-Income Housing Tax Credit to be allocated to an Investment Property, the residential rental units must be available for use by the general public. The Regulations promulgated under Section 42 of the Code provide that residential rental units are not for use by the general public, for example, if the units are provided only for members of a social organization or provided by an employer for its employees. On the other hand, use by the general public may include apartment properties which give preferences to classes of tenants (*e.g.*, the homeless, disabled or handicapped) so long as those preferences would not violate any HUD policy governing non-discrimination expressed in the HUD Handbook. Accordingly, although certain apartment properties may be leased exclusively to elderly tenants, it is not believed that such a leasing policy would result in the failure to meet the general public use requirement.

Each Property Entity subject to an extended use agreement or other regulatory agreement will be required to comply with its applicable restrictions and continue to maintain compliance with the applicable credit agency and other governmental agency requirements associated with affordable housing programs.

The sale of any Investment Property that is subject to the above-described regulatory commitments and agreements will be subject to various restrictions including, but not limited to, the necessity of obtaining the approval of any governmental agency or agencies providing any form of Government Assistance to the Investment Property and the furnishing of various legal opinions. These restrictions could lead to a longer holding period for certain Investment Properties or a sale of such Investment Properties to purchasers subject to certain government restrictions or conditions. The General Partner will, prior to disposition of each Investment Property, evaluate and consider options available with regard to such disposition.

Supplemental Disclosure

If the General Partner identifies any Investment Property as a prospective investment for the Partnership or acquires any Investment Property on behalf of the Partnership (including any Warehoused Investment, an "*Existing Investment Property*") during the Subscription Period, it will provide to all Limited Partners and prospective investors, in addition to this Memorandum, supplemental materials describing such investment ("*Supplemental Materials*"). All investors subscribing to the Partnership upon or following any Supplemental Materials will be deemed to have consented to the acquisition of any Investment Property and the terms of such acquisition disclosed in this Memorandum or any Supplemental Materials provided to them prior to their admission to the Partnership.

The General Partner may furnish investors with tables, charts or other materials illustrating the potential results of an investment in the Partnership under various scenarios,

based on the investment objectives of the Partnership. The investment objectives expressed in such materials to produce certain investor returns should not be viewed as assurances or representations as to the amount, availability or timing of such returns. Rather, such statements reflect objectives of the Partnership and are based upon certain assumptions and projections, and there is no assurance that the objectives will be achieved or that the assumptions or projections will be shown to be correct. Actual results will probably vary and the variances may be material.

Joint Investments

The Partnership may from time to time invest in one or more Investment Properties jointly with another equity fund or account managed by an affiliate of the General Partner or with any other third party. In any such case, the General Partner will use its reasonable best efforts to cause the Partnership to retain sufficient control of each Property Entity and Investment Property such that the Partnership is not deemed to be investing in "securities" for purposes of the Company Act or the Advisers Act.

Other Activities and Techniques

While the General Partner intends to invest the assets of the Partnership in accordance with the investment strategy outlined in this Memorandum, subject to the specific limitations set forth in the Partnership Agreement and described herein, the Partnership is not limited with respect to the types of investment strategies it may employ or the real estate assets in which it may invest. Depending on the condition of real estate markets and the United States economy, the General Partner may alter its investment strategy or employ different techniques that it considers to be appropriate and in the best interest of the Partnership.

The Partnership's investment activities will be speculative and will entail substantial risks. The Partnership cannot and does not provide any assurances that it will realize its investment objectives. See "Certain Risk Considerations."

MANAGEMENT OF THE PARTNERSHIP

General Partner

The General Partner will manage and control the affairs of the Partnership and will have general responsibility and ultimate authority in all matters affecting the business of the Partnership. The General Partner will have general responsibility for all aspects of the Partnership'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 Partnership and certain administrative, accounting and clerical services. Limited Partners will not have any right to control or participate in the operations and management of the Partnership. The dissolution of the General Partner will result in the dissolution of the Partnership unless a Majority-in-Interest of the Limited Partners elect to continue the Partnership and admit a new general partner to continue the Partnership. If, following a dissolution of the General Partner, no new general partner is admitted to the Partnership, a liquidating trustee selected by a Majority-in-Interest of the Limited Partners will liquidate the Partnership's portfolio and wind up its affairs.

The General Partner was formed solely for the purpose of serving as the general partner of the Partnership and is 75% owned and controlled, directly or indirectly, by Alliant Strategic Investments II, LLC, a Delaware limited liability company ("*ASI*"), and 25% owned by CommonGood Capital LLC, a Florida limited liability company ("*CGC*"). ASI is owned 50% by Strategic Realty Holdings LLC, a Delaware limited liability company ("*Strategic*") and 50% by Palm Drive Associates, LLC, a Delaware limited liability company ("*Palm Drive*"). CGC is owned by Jeff Shafer and is the sole owner of the Broker.

ASI is an affiliate of Alliant Capital, Ltd., a Florida limited partnership ("*ACL*"), that focuses on tax credit syndication for the financing and development of affordable housing. ASI and ACL are also affiliated with 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. From 1997 through December 31, 2020, ACL and its affiliates have sponsored approximately 128 limited partnerships investing in affordable housing projects that have raised approximately $8.3 billion in equity and invested in over 1,100 developments representing more than 105,000 units and over 400,000 families across the US. The Partnership may engage AAMC to perform various services, which may include real estate advisory and acquisition services, partnership and portfolio management services and investor communication and reporting services.

Strategic is an affiliate of Strategic Realty Capital, LLC, a Delaware limited liability company ("*SRC*"), a well-established, 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. Since 2008, SRC and its affiliates have acquired 19,435 multifamily residential units in over 91 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, the Gulf States and Texas. SRC 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.

CGC is a financial services firm that provides advisors with access to private alternative investments and also provides advisory services to businesses all with a focus on investments and businesses, such as affordable housing, that make a positive social impact. One of the subsidiaries of CGC is Preservation REIT I Administrator, LLC, which provides management and administrative services to Preservation REIT I, Inc., a private REIT with over 100 investors invested in affordable housing. The Preservation REIT is fully invested and is currently in the operational phase, to be followed by the disposition phase. CGC also holds an ownership interest in Fortis Green Renewables Management I LLC, which is the fund manager to Fortis Green Renewables Green Fund I LLC ("*Green Fund I*"). Green Fund I invests in small scale renewable energy projects in Sub Saharan Africa, with an initial focus on run-of-the-river hydro power in East Africa. CGC is responsible for fund formation, fundraising, and overall strategy for Green Fund I and also provides certain administrative services for Green Fund I.

The following is a brief description of the background and experience of certain key officers and employees of ASI and CGC who will be responsible for the activities of the Partnership.

Shawn Horwitz is the Chief Executive Officer and a co-founder of ASI, ACL 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 is the Managing Partner and co-founder of SRC and a co-founder of ASI. He has more than 22 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.

Russell Ginise 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, Mr. Ginise was Managing Director of Affordable Equity Investments at a private investment firm, where he directed the sourcing, underwriting and acquisition of workforce housing and the effort to raise capital for those acquisitions. Previously, Mr. 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, where he was a 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 subsidiary of a publicly held company. 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.

Clayton Wyatt 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.

Kathleen Balderrama 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 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).

Kyle Winning is Executive Vice President and Chief Investment Officer of Alliant Strategic Investments and has over 30 years of real estate experience throughout the United States. In his career, he has been responsible for the acquisition and investment management of over 45,000 multifamily units in 33 states, about half of which were market rate and half affordable. While generally in charge of the investment process, Kyle has also had direct management responsibility for property management operations, construction and accounting at various points during his career. An active member of ULI for 30 years, Kyle has served as Chairman of the Affordable/Workforce Housing Council and is a ULI Foundation Governor. He graduated from Knox College with a BA in economics and from Rice University with an MBA. He has served on the Board of Trustees of Knox since 2012.

Stewart Hill is the Senior Vice President of Originations for ASI. In his role, Stewart is responsible for sourcing equity for and closing preservation housing deals. Mr. Hill works closely with our team to ensure that ensuring that our investments in preservation housing are made according to company, fund and investor requirements. His extensive experience in affordable housing includes oversight of asset management, acquisitions, partner relations, sales & marketing, and public relations. Mr. Hill is a board member for the Texas Interfaith Housing and Management Corporations and a member of NCHSA, TAAHP, and TALHFA. He earned his Bachelor's degree from the University of Washington in Marketing and Economics and an advanced sales and leadership certification from the Dale Carnegie Institute.

Jeffrey Shafer is the Chief Executive Officer of both CGC and the Broker. Mr. Shafer has more than 25 years of experience – primarily in Senior Executive roles – in the financial services industry. Prior to launching CGC, he was Managing Partner and a member of the Executive Team with Trilinc Global, a leading emerging markets impact investor that has financed more than $1.3 billion in term loans and trade finance facilities since 2013. Mr. Shafer spent the bulk of his career with CNL – a leading alternative asset manager based in Orlando, Florida. During his tenure with CNL, he was President of Capital Markets, and the teams he led raised more than $9 billion of capital for investments in real estate, private equity, and private credit. He also sat on the Operating Committee for CNL's multibillion dollar asset management business. During his 19 years at CNL he was part of forming and launching eight public non-traded REITs, multiple private placements, and a nontraded BDC in partnership with leading investment managers such as CBRE, KKR, and Macquarie. Jeff was a leader in an industry that expanded annual capital raise from $500 million annually to over $20 billion. He earned a BA in Psychology and Biblical Studies from Wheaton College in 1996. He subsequently earned an MBA from the Crummer School of Business at Rollins College and holds the Certified Financial Planner and Chartered Financial Consultant designations as well as the FINRA series 7, 24, 63, and 79 licenses. Mr. Shafer currently serves as the Chair of Elevation Scholar Foundation, as a member of the Wheaton College Advisory Board, and as a member of the National Christian Foundation Advisory Board.

The General Partner may in the future use the services of other employees of AAMC, SRC and CGC to assist in portfolio management, analysis and research, and back-office operations.

Removal of the General Partner

The General Partner may only be removed for "Good Cause" (defined below) by a vote of 80%-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner).

The term "Good Cause" means an action or inaction by the General Partner 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 this Agreement that, in each case of clauses (i)-(v), has had a materially adverse effect on the Partnership, or (vi) the occurrence of a Key Person Event where a Qualified Replacement is not approved by a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner) within one hundred eighty (180) days of such event unless, at the time of determination that a Key Person Event has occurred, the Limited Partners are receiving a Preferred Return and current revised projections show that the Limited Partners are projected to receive at least a Preferred Return throughout the Term of the Partnership; provided that (A) no such event will constitute Good Cause if timely refuted by the General Partner in accordance with the provisions of the Partnership Agreement, subject to the reasonable approval of (and after written notice provided by) a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units held by affiliates of the General Partner); and (B) 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 Partnership Agreement, after the receipt by the General Partner of written notice of such event from a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units held by affiliates of the General Partner).

Following its removal, the General Partner will be paid an amount equal to the fair value of its Units (determined in accordance with the Partnership Agreement), less the amount of actual out-of-pocket damages sustained by the Partnership as a direct and actual result of the Good Cause event resulting in the removal of the General Partner ("*Good Cause Damages*"). The resulting amount will be payable to the removed General Partner no later than ninety (90) days following the date of the final termination and liquidation of the Partnership.

Furthermore, if the General Partner is removed for bad faith, fraud, or willful misconduct, any Limited Partner affiliated with the General Partner will be excluded from voting or providing consent when the consent of the Partners is required under the Partnership Agreement.

After the removal of the General Partner, the Partnership will terminate unless, within ninety (90) days thereafter, the Limited Partners elect a successor general partner, by a vote of 67% in Interest of all Limited Partners, to continue the business of the Partnership.

Key Person Event

A "Key Person Event" will occur if, at any time during the Investment Period, (i) ASI Multi-Family Impact GP, LLC or any of its affiliates ceases to be the General Partner of the Partnership, (ii) all of: (a) Shawn Horwitz, (b) Edward Lorin and (c) Russell Ginise (each, a "*Key Person*") (or if applicable, the previously approved Qualified Replacement of any of them) cease to be actively involved in the management of the Partnership; or (iii) upon the death or incapacitation of all Key Persons, ASI Multi-Family Impact GP, LLC does not activate its succession plan or

have key man insurance. The General Partner has the right to replace any Key Person (or the Qualified Replacement of any of them, as applicable) as a Key Person with the approval of a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner) (each such approved replacement, a "*Qualified Replacement*").

The General Partner will give each Limited Partner notice of a Key Person Event within ten (10) business days of its occurrence and will present to the Limited Partners recommendations for a Qualified Replacement. If a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner) does not approve a Qualified Replacement within ninety (90) days after the occurrence of a Key Person Event, the Investment Period may be suspended upon the affirmative vote of a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units held by affiliates of the General Partner). A Majority-in-Interest of the Limited Partners (excluding from such calculation the Units held by affiliates of the General Partner) may elect to lift such suspension of the Investment Period at any time and such suspension will be automatically lifted upon the approval by a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner) of the required Qualified Replacement.

Within one hundred eighty (180) days after a Key Person Event, if a Qualified Replacement is not approved by a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner), 67%-in-Interest of the Limited Partners (excluding from such calculation the Units held by affiliates of the General Partner) may elect to terminate the Investment Period and, thereafter, may elect to reinstate it at any time.

Advisory Committee

The General Partner may, but is not obligated to, establish an advisory committee for the Partnership (the "*Advisory Committee*") consisting of at least three (3) and no more than seven (7) representatives of the Limited Partners, as determined by the General Partner and willingness to participate. Each Limited Partner selected to serve on the Advisory Committee that is an entity may appoint one (1) representative (subject to the General Partner's reasonable approval) to serve on its behalf as a member of the Advisory Committee. Members of the Advisory Committee may be removed by the General Partner if the General Partner believes in good faith that such member is not fulfilling the duties of the position or replaced by the Limited Partner appointing him or her (in which case, such replacement shall be subject to the General Partner's reasonable approval). In addition, each member of the Advisory Committee (i) may resign by giving the General Partner prior written notice and (ii) will be deemed removed upon its associated Limited Partner becoming a Defaulting Partner or assigning in excess of 50% of its Units to a Person that is not an affiliate of such Limited Partner.

The Advisory Committee will meet from time to time upon request of the General Partner for the purpose of consulting on certain matters presented to the Advisory Committee by the General Partner in its sole discretion, including for example: (i) investment and financing strategies; (ii) status of outstanding investments; (iii) joint investments; and (iv) transactions involving General Partner Affiliates or other conflict situations. Any actions

taken by the Advisory Committee will be advisory only, and the General Partner will not be required or otherwise bound to act in accordance with any recommendations made by the Advisory Committee or any of its members. The Advisory Committee shall, however, represent the Limited Partners as a group, and any action or transaction affirmatively approved by the Advisory Committee shall constitute an approval by the Limited Partners with respect to certain affiliate transactions presented to the Advisory Committee as described herein and in the Partnership Agreement.

No member of the Advisory Committee (or any Limited Partner whose representative is a member) will be liable to the Partnership, the General Partner or the Limited Partners 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 Partnership will indemnify, to the fullest extent permitted by law, each member of the Advisory Committee and any Limited Partner 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 Limited Partner) 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 the Limited Partner whose representative is a member) arising from any act or omission performed or omitted by such member or Limited Partner as a member of the Advisory Committee except for willful malfeasance or actions taken or omitted to be taken in bad faith. The Partnership will reimburse for (upon receipt of all supporting documentation) or advance to each member of the Advisory Committee (or the Limited Partner 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.

Other than the obligation to act in good faith, the members of the Advisory Committee do not owe a fiduciary duty to the Partnership or to any other Limited Partner.

Third-Party Administrator

The General Partner may engage a third-party administrator (the "*TPA*") to provide certain administrative services to the Partnership on behalf of and under the direction of the General Partner. The fees and reimbursable expenses of the TPA will be borne by the Partnership.

Services that may be provided by the TPA may include (a) maintaining the financial books and records of the Partnership and Property Entities; (b) preparing periodic reports and financial statements of the Partnership and Property Entities; (c) calculating fees owed to other service providers; (d) processing subscriptions and capital contributions of Limited Partners; (e) performing other accounting and clerical services necessary in connection with the administration of the Partnership; and (f) maintaining the Partnership's register of Limited Partners.

The General Partner has not yet identified or selected any TPA. If it does, the General Partner 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 Partnership and that will require the General Partner and/or the Partnership to indemnify the TPA for a broad range of liabilities and expenses arising out of the TPA's actions on behalf of the General Partner and the Partnership. It is unlikely that Limited Partners would have any ability to make direct claims against the TPA for any alleged

wrongdoing. The General Partner will seek to include provisions in its agreement with any TPA that would allow the General Partner 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, as well as other reasonable and appropriate terms and provisions determined in the discretion of the General Partner.

CERTAIN RISK CONSIDERATIONS

The Units offered hereby are speculative and illiquid securities involving substantial risk of loss and are suitable for investment only by sophisticated persons for which an investment in the Partnership does not represent a complete investment program and who fully understand and are capable of assuming the risks of an investment in the Partnership. Prospective investors are expected to be aware of the normal risks inherent in the ownership of real estate and affordable housing. In addition, the following considerations, which do not purport to be a complete description of any of the individual risks referred to or a complete list of all risks involved in an investment in the Partnership, should be carefully evaluated before determining whether to invest in the Partnership.

General Risks

Risk of Loss

An investment in the Partnership is speculative. The value of Units will fluctuate based upon a multitude of factors, including the financial condition and prospects of the Partnership's investments (which will not be broadly diversified), market conditions, and local, regional, national and global economic conditions, only certain of which are described below. Therefore, investors may lose all or a portion of their principal invested in the Partnership if the Partnership's investment strategies are not successful. The Partnership will have no source of funds from which to pay distributions to Limited Partners other than current income from, and gain on capital transactions involving, its investments.

Long-Term Commitment

Investors should be fully aware of the long-term nature of their investment in the Partnership. Subject to certain limited exceptions applicable where a Limited Partner's continued investment in the Partnership will result in a violation of law or governmental regulation, imposition of excise taxes, or a loss of such Limited Partner's federal income tax exemption, Limited Partners will not be permitted to make withdrawals from the Partnership. Limited Partners are also not permitted to sell or otherwise transfer their Units without the consent of the General Partner. Units will not be registered under the Securities Act or any state securities laws and may be resold only in transactions exempt from the Securities Act and any applicable state securities laws. No public market currently exists for the Units and it is unlikely that a market will exist at any time in the future. Limited Partners will be committed to make Capital Contributions to the Partnership at least until the second (2^{nd}) anniversary of the Final Closing Date, and remain invested in the Partnership for at least five (5) years, and perhaps much longer. No investor should subscribe for Units in the Partnership, unless he, she or it is able to make a long-term Capital Commitment to the Partnership, has no need for liquidity on its investment in the Partnership and can withstand the complete loss of that investment.

No Assurance of Positive Returns

There is no assurance that an investment in the Partnership will generate positive returns. This is a high risk investment. The General Partner's task of identifying suitable real estate investment opportunities, managing such investments and realizing a significant rate of return

for investors will be difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a rate of return on such investments successfully. Further, the Partnership will be competing for real property investments with many other entities engaged in real estate investment activity, including General Partner Affiliates. There is no assurance that the General Partner will be able to invest the Partnership's capital on attractive terms or that it will generate positive returns for investors or will not incur substantial losses.

Limited Operating History

The Partnership and the General Partner are recently formed entities with no investment history. Fund II's prior performance to date was generated in market circumstances substantially different to those currently in effect as a result of the novel coronavirus ("*COVID-19*") pandemic. In addition, while Fund II has an investment focus on affordable and workforce housing, Fund II differs from the Partnership in that it generally targeted investments in specific communities that meet certain regulatory requirements related to the federal Community Reinvestment Act. Further, Fund II is subject to different terms than the Partnership, including that Fund II may invest in properties through joint ventures which are controlled by third party developers, whereas the Partnership will, directly or indirectly through one or more Property Entities, retain control of each Investment Property. *Prospective Limited Partners are advised that the prior performance of General Partner Affiliates, including with respect to the Fund II performance data provided in this Memorandum, is not indicative of the Partnership's future results.*

Dependence on the General Partner

Limited Partners will have no right or power to participate in the management of the Partnership. Except for certain limited approval rights reserved for the Limited Partners in the Partnership Agreement, all aspects of management of the Partnership are entrusted to the General Partner, and the Limited Partners must rely entirely on the General Partner to conduct and manage the affairs of the Partnership. The loss of any key personnel of the General Partner could have a significant adverse impact on the business of the Partnership.

Financial Projections

The General Partner may provide investors or their representatives or advisors with a set of projections setting forth certain projected financial attributes of the investment, which may include such investor's anticipated internal rate of return. These projections will have been prepared by affiliates of the General Partner on the basis of certain assumptions and will not be audited or reviewed by the Partnership's accountants or legal counsel. No representation is made that any projections with respect to the anticipated internal rate of return and ultimate distributions to the investors will in fact be obtained. Any such projections represent only good faith estimates as of the dates on which they are prepared and are dependent on future events which may or may not occur, and over which the General Partner has limited control. There are no assurances that the information set forth in any such projections will remain unchanged or that the assumptions on which the projections are based will occur as assumed; accordingly, the actual results experienced by the Partnership and the Limited Partners are likely to vary from the projections, and such variances may be material.

Each investor is encouraged to consult its own legal counsel, accountants and other professional advisors as to legal, tax, investment and related matters concerning the information contained in any projections.

Risks Relating to Investments Prior to Sale of Units

To facilitate the acquisition of Investment Properties, the Partnership (or an affiliate of the General Partner on behalf of the Partnership) intends to make initial investments, or enter into commitments to make investments, in Investment Properties at any time, including without limitation, any time prior to the completion of the sale of Units. Such investments or commitments to make investments would be made in anticipation of the receipt of proceeds from the Offering. It is possible that the Partnership ultimately will not receive sufficient proceeds from the Offering to meet all of its obligations with respect to such investments or commitments. Failure to satisfy obligations with respect to investments or commitments may result in dilution or termination of the Partnership's interest in an Investment Property or a suit to require performance of such obligations by the Partnership.

Warehoused Investments

The Partnership may purchase from a General Partner Affiliate certain Warehoused Investments that have been previously acquired by the General Partner Affiliate on behalf of the Partnership for a sum equal to (i) the purchase price paid by the General Partner or its affiliates therefor, plus (ii) interest thereon not to exceed 8% *per annum*. Any Warehoused Investments acquired by the Partnership after the date of this Memorandum, will bear interest at Prime Rate plus 2% *per annum* and may include other financing charges or fees not in excess of the amounts which would be charged by unrelated lending institutions on comparable loans for the same purpose in the same locality. Investors in the Partnership will be assuming the risk of market value of the Warehoused Investments from the date such properties were initially acquired from the General Partner Affiliate.

Unspecified Use of Proceeds

As of the date of this Memorandum, except for the Investment Properties described in the Supplemental Materials, the Partnership has not identified or completed the acquisition of any Investment Property in which it intends to invest. Therefore, the proceeds of this Offering are intended to be invested, at least in part, in assets which, as of the date of this Memorandum, have not been identified by the Partnership. In particular, no information is available to investors as to (a) the terms of the acquisitions of the Investment Properties; (b) the type or location of the Investment Properties; (c) the financing terms; or (d) other relevant economic and financial data. As a result, investors in the Partnership may not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the Partnership's investments prior to subscribing for Units and must rely solely on the decisions of the General Partner with respect to investment and management of the proceeds of the Offering. This Memorandum will be supplemented during the Subscription Period if there arises a reasonable probability that the Partnership will make a material investment in one or more Investment Properties.

The information provided in any Supplemental Materials regarding an Investment Property may change from the time the supplement is issued to the time of closing of the Partnership's investment in that property. Such changes occur on a regular basis as a result of a number of factors, including failure of properties to meet certain requirements, changes in required capital, or changes in the proposed financing.

No assurance can be given that the Partnership will be successful in obtaining suitable investments or that, if the investments are made, the objectives of the Partnership will be achieved. Successful investment may be adversely affected by a number of factors, such as adverse legislation or increased competition for suitable investments.

Investment Risks

Limited Diversification

The Partnership will be investing in existing real estate assets for use as multi-family housing complexes that have or will have an affordable housing component or a "workforce" housing focus and, therefore, will not be diversified in the types of projects owned. As a result, adverse economic, market or other factors affecting the market for workforce and affordable housing may have a disproportionately large impact on the Partnership. In addition, if the Partnership only invests in properties which are located in the same general geographic area, there may be risks associated with such particular geographic area, such as the local weather, economics and politics, or the effect of the COVID-19 pandemic specific to such geographic area.

Furthermore, the Partnership 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 Partnership's investments are ultimately quite successful, poor results from other investments could severely and adversely affect the Partnership's overall investment performance, and Limited Partners could suffer impaired returns, or losses, as a result. This risk is amplified if less than all of the Units are sold.

Economic Risks

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 Partnership's control, including, without limitation, terrorist attacks or other acts of war, continued fallout from the COVID-19 pandemic, 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 Partnership's investments and, accordingly, the performance of the Partnership. It may also negatively affect the General Partner's ability to obtain leverage to purchase or refinance properties for the Partnership. Further, even if the General Partner is able to obtain financing, it may be on terms that are not favorable to the Partnership, with increased financing costs and restrictive covenants, including restricting the Partnership's ability to make distributions.

Further, economic downturns, including resulting from the COVID-19 pandemic, could increase bankruptcies of and defaults by tenants, and the Partnership'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.

Coronavirus and Other Public Health Risks

The outbreak of COVID-19 in the United States and other countries has adversely impacted U.S. domestic and global commercial activity and has contributed to significant volatility in financial markets. The impact of the outbreak has been rapidly evolving and has created significant disruptions in domestic and global demand and supply chains, and (among disparate other results) has led to a rise in U.S. domestic unemployment, including a rise to 14.7% in April, 2020, the highest level since the Great Depression of the 1930s. The U.S. Federal Reserve Board determined that nearly 40% of those who were working in February, 2020 in households making less than $40,000 a year lost their jobs in March or the beginning of April of 2020.[24] While employment figures have improved since that time, the continuity of those gains is not assured and will depend upon many factors beyond the General Partner's control. It is the General Partner's current view that COVID-19 is likely to have a lasting effect on the demand for affordable housing and on the ability of tenants of affordable housing developments to be able to continue to pay rent, and may lead to a material increase in evictions from developments of the type in which the Partnership intends to invest. Any material reduction in the demand for affordable housing, or the ability of low- and moderate-income tenants to pay their rent, is likely to have a negative impact on the Partnership's operations. Further, many cities and states have enacted, or considered enacting, exceptions to contractual obligations for tenants, including government mandated rent delays or other abatement measures or concessions or prohibitions on evictions, any of which may negatively impact the success of the Partnership's investments.

While vaccines for COVID-19 have begun to receive regulatory approval and be deployed, the timely implementation of any large-scale vaccination program and the effectiveness thereof, both domestically in the U.S. and abroad, are not assured and significant uncertainty remains. And while the longer-term scope of the potential impact of COVID-19 on global markets cannot be known at this time, the coronavirus outbreak and any other outbreak of any infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, are likely to have a profound negative impact on economic and market

[24] U.S. Federal Reserve Board. *Report on the Economic Well-Being of U.S. Households, Featuring Supplemental Data from April 2020, published May 14, 2020.* Available at: https://www.federalreserve.gov/publications/files/2019-report-economic-well-being-us-households-202005.pdf

conditions and trigger a period of global economic slowdown. Any such economic impact could adversely affect the performance of the Partnership's investments. As a result, COVID-19 presents material uncertainty and risk with respect the Partnership's overall performance and its financial results may also be materially and adversely affected as a result.

Real Estate Risks – Generally

The Partnership will be subject to all the risks inherent in investing in real estate, including multi-family residential real estate and affordable housing, which risks may be increased if investments are leveraged. These risks include, without limitation, the burdens of ownership of real property, general and local economic and social conditions, neighborhood values, changes in supply of and demand for competing properties in an area (as a result, for instance, of overbuilding), the financial resources of tenants, vacancies, rent strikes, energy and supply shortages, natural disasters, acts of God, terrorist attacks, war, changes in tax, zoning, building, environmental and other applicable laws, federal and local rent control laws, real property tax rates, changes in interest rates and the availability of debt financing which may render the sale of properties difficult or unattractive. Such risks also include fluctuations in occupancy rates, rent schedules and operating expenses, which could adversely affect the value of the properties. Since certain costs of owning and operating real estate (principally debt service and real estate taxes) are fixed and do not generally decrease with decreases in occupancy rates, if a property does not maintain high occupancy levels, it may not generate sufficient revenue to pay all of its expenses and to meet the substantial debt service requirements of its mortgage. In addition, if an Investment Property receives Government Assistance, the applicable government agency may be unable or unwilling to permit rent increases necessary to pay increased operating expenses, or the effectiveness of permitted rent increases may lag behind increases in operating expenses. These factors ultimately may result in foreclosure of the mortgage. Certain General Partner Affiliates have previously experienced foreclosure events.

The Partnership may invest in properties that are "mixed-use," as well as properties which will be occupied by low and moderate income tenants and market rate tenants ("mixed-income"). Mixed-use properties may include commercial rental space in addition to residential rental units. Mixed-use properties may present greater risks than apartment properties intended to be occupied entirely by residential tenants since commercial space will be leased to nonresidential tenants, and the ability of such nonresidential tenants to perform their obligations will be subject to, among other things, market conditions and a successful business strategy. Mixed-income properties may present greater risks than apartment properties intended to be occupied entirely by low and moderate income tenants in connection with lease-up and occupancy rates since such units may not have the advantage of below market rents.

In addition, financial and real estate markets have recently experienced a variety of difficulties and changed economic conditions. There can be no assurance of profitable operations for any real property or gain on sale of any real property. Accordingly, the Partnership's investment objectives may not be realized. The cost of operating a property may exceed the rental income thereof, and the Partnership may have to advance funds to protect an equity investment, or may be required to dispose of investments on disadvantageous terms if necessary to raise needed funds.

Real Estate Risks – Focus Areas

The Partnership may focus its acquisition efforts in certain states. Accordingly, the Partnership will be exposed to greater economic risks than if the Partnership owned a more geographically dispersed portfolio. The Partnership will be susceptible to adverse developments in the economic and regulatory environment (such as business layoffs or downsizing, industry slowdowns, relocations of businesses, increases in real estate and other taxes, costs of complying with governmental regulations or increased regulation and other factors) as well as natural disasters (such as earthquakes, floods, wildfires and other events) that occur in these areas, including certain areas that may experience more severe outbreaks or effects of COVID-19. Any adverse developments in the economy or real estate market in any geographical focus area could adversely impact the financial condition of the Partnership's investments. No assurances are made as to the continued growth of the economy in any such area, nor are any assurances made that such area's economy will not experience a downturn.

Furthermore, the Partnership will invest primarily in multi-family residential real estate. Accordingly, the Partnership will be exposed to greater economic risks than if the Partnership owned a portfolio that is more diverse in terms of type of property.

Highly Competitive Market for Investment Opportunities

The activity of identifying, completing and realizing attractive real estate investments is highly competitive and involves a high degree of uncertainty. The Partnership will be competing for investments with other real estate investment vehicles, as well as individuals, publicly traded real estate investment trusts as defined in the Code ("*REITs*"), financial institutions (such as mortgage banks and pension funds), hedge funds and other institutional investors. Further, over the past several years, many real estate funds and publicly traded REITs have been formed (and many such existing funds have grown in size) for the purpose of investing in real estate assets. 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). There can be no assurance that the Partnership will be able to locate, complete and exit investments which satisfy the Partnership's rate of return objectives, or realize upon their values, or that the Partnership will be able to invest fully its committed capital.

Leverage

It is expected that all or virtually all of the Partnership's investments will 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 meet operating expenses and make cash distributions. Further, there can be no assurance that the General Partner 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 Partnership may incur short and long-term financing secured by individual assets, a pool of assets or other collateral, as deemed appropriate by the General Partner. Each Investment

Property may be used as collateral in respect of leverage incurred with respect to any other Investment Property; provided, that the General Partner generally will cause the Partnership to "cross-collateralize" its investments only if it determines such cross-collateralization to be necessary to obtain financing on favorable terms. Such borrowing reduces the need for equity capital, but it also increases the exposure to losses. Principal and interest payments on such indebtedness will generally be required regardless of income from the Partnership's properties. If mortgage or other loan payments are not paid when due, the Partnership may sustain a loss on its investment as a result of foreclosure.

During the term of the Partnership, the availability of financing may at times be limited and interest costs may increase. The Partnership may not be able to obtain leverage to purchase, improve or refinance properties. Furthermore, the interest costs, restrictive covenants and other terms of any financing obtained may lower the returns of the Partnership or restrict its ability to acquire or operate properties, make distributions or take other actions.

Costs and Limited Availability of Insurance

Neither the General Partner nor the Partnership is obligated to obtain insurance. If the General Partner or the Partnership does seek to insure the Partnership's investments, the costs of that insurance will be borne by the Partnership, and may therefore adversely affect the Partnership's investment returns. In addition, insurance for certain losses (including catastrophic losses due to earthquakes, floods or environmental contamination) may not be available, or may be available only at prohibitive costs. Uninsured (or inadequately insured) losses could severely and adversely affect the Partnership's overall investment performance, and Limited Partners could suffer impaired returns, or losses, as a result.

Construction, Rehabilitation and Refurbishment Risks

Even though the Partnership does not intend to invest in developments that require ground-up construction, the Partnership may be subject to the risks of construction in connection with the renovation and enhancement of certain existing real estate assets. In addition, the Partnership may acquire properties that need substantial rehabilitation or refurbishment. Construction, rehabilitation or refurbishment may present a number of risks which are beyond the control of the General Partner. These risks include, among others, shortages or price increases with respect to materials, labor or other services, latent defects, strikes, adverse weather, unexpected physical conditions and other contingencies, including work stoppages, labor unavailability and other adverse effects resulting from COVID-19. These risks could cause substantial delays or cost overruns or other adverse effects. Completion of construction, rehabilitation or refurbishment may also be delayed or prevented by environmental, zoning, title or other serious legal proceedings which may arise.

Defects Relating to Properties

Investment Properties acquired by the Partnership may have design, construction, environmental or other defects or problems that may require additional capital expenditures, special repair or maintenance expenses or damages or other obligations to third parties despite the due diligence investigations prior to the Partnership's acquisition. The engineering and other

reports that the Partnership may rely upon as part of its investigations of these properties may be subject to inaccuracies or deficiencies, as defects may be difficult to ascertain with certainty due to the limitations inherent in the scope of the inspections and the techniques used in those inspections.

Impact of Government Regulation

Government authorities at all levels are actively involved in the promulgation and enforcement of regulations relating to land use and zoning restrictions, environmental protection and safety and other matters affecting the ownership, use and operation of real property. Regulations may be promulgated (whether in response to COVID-19 or otherwise) which could have the effect of restricting or curtailing certain usages of existing structures, or requiring that such structures be renovated or altered in some manner. The institution and enforcement of such regulations could have the effect of increasing the expenses and lowering the income or rate of return on, as well as adversely affecting the value of, any of the Partnership's investments.

Environmental Risks

As is the case with any holder of real estate investments, the Partnership could face substantial risk of loss from claims based on environmental problems associated with the Partnership's investments. Under various federal, state and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Certain federal and state laws and regulations impose liability, often regardless of fault, on various parties (jointly and severally), including owners and operators, associated with real estate affected by a release of a regulated environmental contaminant. Such liability may also be imposed without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability therefor as to any property are generally not limited under such laws and could exceed the value of the property or the aggregate assets of the owner. 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 Partnership'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 Partnership to such liabilities. To minimize the risk of such liability, prior to acquiring any property, the Partnership 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 Partnership may seek to purchase appropriate insurance to protect the Partnership 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 Partnership 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 General Partner believes appropriate.

Significant Costs of Complying with Laws, Regulations and Covenants

Certain of the Partnership's assets will be subject to various covenants, local laws and regulatory requirements, including permitting and licensing requirements. Local regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers may restrict the use of the Partnership's properties and may require the General Partner to obtain approval from local officials or community standards organizations at any time with respect to the Partnership's properties, including prior to acquiring a property or when undertaking renovations. Among other things, these restrictions may relate to fire and safety, seismic, asbestos-cleanup or hazardous material abatement requirements. There can be no assurance that existing regulatory policies will not adversely affect the Partnership's investments or the timing or cost of any future acquisitions or renovations, or that additional regulations will not be adopted that increase such delays or result in additional costs. The Partnership's investment strategy may be affected by the General Partner's ability to obtain permits, licenses and zoning relief, and the failure to obtain such permits, licenses and zoning relief could have a material adverse effect on the Partnership's performance.

In addition, federal and state laws and regulations impose further restrictions. Some of the properties acquired by the Partnership may not be in compliance with all regulatory requirements. The Partnership may be required to incur additional costs to bring such property into compliance or be subject to governmental fines. Existing laws and regulations, as well as laws and regulations enacted in the future, may significantly increase costs with respect to the Partnership's investments and, accordingly, diminish returns to investors.

Among other things, the Partnership may acquire properties as to which federal or state laws relating to affordable or low-income housing, subsidized housing or other housing to which governmental housing programs apply, or as to which the Partnership might desire to have this governmental treatment at some future date. As a result, the Partnership may be subject to the following additional risks:

- *Lack of Eligible Tenants.* Government regulations with regard to the eligibility of tenants for the Investment Properties or other restrictions associated with Government Assistance applicable to the Investment Properties may make it more difficult to rent the apartment units in the Investment Properties. For example, an Investment Property may be required to rent all or a portion of its units to special needs tenants, such as senior citizens, farmworkers, or disabled individuals. Moreover, for "qualified low-income housing projects," the General Partner or its affiliate will be required to certify annually that the Investment Property meets the Minimum Set-Aside Test, which requires that at least a certain percentage (either 20% or 40%) of the tenants in the Investment Property have incomes below a certain percentage (50% or 60%, respectively) of median area income, and the Rent Restriction Test, which requires that the gross rents charged to low- and moderate-income tenants not exceed 30% of the applicable percentage (either 50% or 60%) of area median income.

- *Difficulties in Obtaining Rent Increases*. In some instances, rents may not be increased without the prior approval of the applicable government agencies. Rent increases in such cases will generally be approved only on the basis of a property's increased operating expenses. There can be no assurance that any rent

increases that might be approved for any Investment Property will be sufficient in time or in amount to offset any increase in operating expenses or debt service or that tenants will be willing or able to pay any authorized rent increases.

- *Risk of Losing Government Assistance*. Government regulations and agreements may impose various obligations on the Partnership and the General Partner, including nondiscrimination covenants with respect to tenants of each Investment Property and equal employment obligations under applicable law. Failure to comply with any of these obligations might result in the loss of Government Assistance and foreclosure of the non-compliant property. The Government Assistance that some or all of the properties may receive is, for the most part, provided under enabling legislation, regulations, and other actions that are subject to appropriations risk modification, expiration and administrative interpretation without regard to the economic interest of the properties. The Government Assistance and rental subsidies which may be provided to some or all of the properties and to the occupants and owners of the Government Assisted housing developments are the result of political decisions. The assistance and subsidies and the terms and conditions under which they are provided are subject to change as the political environment and the political composition of federal, state and local governments change. The General Partner anticipates that some of the apartment properties may receive rental assistance payments for some or all of their apartment units. The General Partner's ability to lease apartment units to qualifying tenants may depend upon the availability of such rental assistance. In certain cases, rental assistance is committed for a limited period of time or in a limited amount. Although such rental assistance arrangements may be able to be renewed, there can be no assurance to that effect. In addition, if such rental assistance payments are provided under contract with HUD, the amount and availability of such payments may be subject to change based on annual appropriations made by the federal government.

- *Limitations on the Sale, Refinancing or other Disposition of the Properties*. The sale, refinancing or other disposition of an Investment Property may be restricted by agreements with government agencies. For example, apartment properties which received allocations of Low-Income Housing Tax Credits must generally comply with tenant qualification and income limitations for not less than thirty (30) years. Because of these and other restrictions, there can be no assurance that the General Partner will be able to sell or refinance an Investment Property when it is in the best interests of the Partnership to do so.

Risk of Litigation

In the ordinary course of its business, the Partnership may be subject to litigation from time to time. The outcome of litigation, which may materially adversely affect the value of the Partnership, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the General Partner's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. Many of

these risks may not be covered fully, if at all, by the insurance the Partnership maintains from time to time.

Joint Investments

The General Partner may cause the Partnership to invest in one or more Investment Properties jointly with another equity fund or account managed by an affiliate of the General Partner or with any other third party. Although the General Partner intends to cause the Partnership to retain control of each such Investment Property, there are certain risks associated with such joint investments. For example, even if a joint investor is in sound financial condition as of the date of the investment, there is a risk that it may be adjudicated bankrupt or insolvent, apply for, or consent to the appointment of, a receiver, trustee, custodian, or liquidator of any of its assets because of insolvency, file a petition seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or similar law, or make a general assignment for the benefit of its creditors. This could have negative consequences on the operation of, and the availability of required capital for, the Investment Property in which an investment is made by the Partnership.

Partnership Risks

Contingent Liabilities on Disposition of Investments

In connection with the disposition of an investment, the Partnership may be required to make representations about the business, financial affairs and other aspects (such as environmental, property, tax, insurance, and litigation) of such investment typical of those made in connection with the sale of a business. The Partnership also may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate or with respect to certain potential liabilities. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish reserves or escrow accounts, including for such period of time after the dissolution of the Partnership as the General Partner may determine. Furthermore, under the Uniform Limited Partnership Act as adopted by the State of Delaware, a Limited Partner who receives a distribution in violation of such Act will, under certain circumstances, be obligated to return that distribution to the Partnership.

Follow-On Investments

The Partnership may need to provide "follow-on" funding to protect, or enhance, the value of investments that it has already made. Because the Partnership will have limited capital, however, there can be no assurance that the Partnership will be able to make such Follow-On Investments when needed. The failure of the Partnership to make any Follow-On Investment may result in losses or (if others make that Follow-On Investment in the Partnership's place) dilution in the Partnership's interest in those investments, which could adversely affect the Partnership's investment returns.

Size of Partnership

The Partnership is initially targeting aggregate commitments of $25-50 million from all Partners. It is impossible to predict the actual size of the Partnership. The investment

performance of the Partnership could be adversely affected by the amount of funds available to the Partnership. For example, if the Partnership is underfunded, it may not have the capacity to invest in certain potential Investment Properties. Alternatively, if the Partnership is overfunded, it may be unable to deploy all available capital.

Dilution from Later-Admitted Partners

Limited Partners who make Capital Commitments to the Partnership on subsequent Closing Dates will participate in existing investments of the Partnership, and that participation will dilute the interests of existing Limited Partners in those investments. Although later-admitted Limited Partners will be required to contribute their *pro rata* share of previously made Partnership draw-downs (plus Additional Amounts), later-admitted Limited Partners will generally participate in existing investments by valuing these investments at cost, including any financing and carrying costs incurred. Accordingly, there can be no assurance that contributions by later-admitted Limited Partners will reflect the fair value of the Partnership's existing investments at the time these later-admitted Limited Partners are admitted to the Partnership.

Limited Partner Defaults

Once a Limited Partner commits to a subscription, such partner's Unfunded Capital Commitment must be paid to the Partnership pursuant to Drawdown Notices from the General Partner. A change in a Limited Partner's circumstances will not excuse a failure to pay. If a Limited Partner fails to make a required Capital Contribution when due, and the Capital Contributions made by non-defaulting Limited Partners and borrowings by the Partnership are inadequate to cover the defaulted Capital Contribution, the Partnership may be unable to pay its obligations when due. As a result, the Partnership may be subjected to significant penalties that could materially adversely affect the returns to the Limited Partners (including non-defaulting Limited Partners). In addition, the consequences of defaulting on a capital call are material and adverse to the defaulting Limited Partner. *See* "Summary of Principal Partnership Terms – Defaults" above.

Variation of Terms

The General Partner may vary terms of this offering and may enter into one or more side letters or similar written agreements with one or more Limited Partners. Each such agreement may establish rights under, or alter or supplement the terms (including the economic terms) of, the Partnership Agreement. Any such terms may be more favorable than those offered to any other Limited Partners.

Illiquid and Long-Term Investments

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

Restrictions on Transfers and Withdrawal

There will be no public market for the Units in the Partnership, and none is expected to develop. In addition, without the prior written consent of the General Partner, which may be withheld in its sole and absolute discretion, no Limited Partner may sell, assign, or in any manner dispose of, or create, or suffer the creation of, a security interest in such Limited Partner's Units, in whole or in part, nor enter into any agreement as the result of which any person, firm or corporation shall become interested with such Limited Partner therein. Notwithstanding the foregoing, in no event may a Limited Partner's Units, or any part thereof, be assigned or transferred to any person unless: (A) such transferee meets the Partnership's investor eligibility criteria, as set forth in the Subscription Agreement (as the same may be revised in accordance with changes in applicable law), and is able to certify that it is not a person on the list of Specially Designated Nationals and Blocked Persons promulgated by the United States Department of the Treasury, and completes such transfer documentation as the General Partner requires, (B) the investment by such transferee in the Partnership will not cause the assets of the Partnership to become "plan assets" under ERISA, (C) the investment by such transferee in the Partnership will not cause the Partnership to become a "publicly traded partnership" within the meaning of Section 7704 of the Code and the Treasury Regulations promulgated thereunder, (D) such transfer will not cause the Partnership to violate any law, rule or regulation applicable to the Partnership (including, without limitation, creating a requirement that the Partnership register as an investment company under the Company Act), and, unless such conditions are met, no attempted assignment or transfer of a Limited Partner's interest in the Partnership, or part thereof, will be valid and binding on the Partnership, (E) such transfer shall not effect a termination of the Partnership under Section 708 of the Code (but only if such termination would result in material adverse consequences (as determined by the General Partner) to the Partnership or any Partner under federal, state, local or foreign law), (F) such transferee is a U.S. Person for United States federal income tax purposes, and (G) if required by the General Partner, the transferor or transferee has paid, or made arrangements to pay, all reasonable expenses incurred by the Partnership in connection therewith (and such payment will not constitute a Capital Contribution to the Partnership).

Subject to certain limited exceptions applicable where a Limited Partner's continued investment in the Partnership (or an investment in a particular Investment Property) will result in a violation of law or governmental regulation, imposition of excise taxes, or a loss of such Limited Partner's federal income tax exemption, Limited Partners will not be permitted to make withdrawals from the Partnership and will have no right to be excused from participating in a Partnership investment. The General Partner may compel the withdrawal of all or any portion of any Limited Partner's Units, or the transfer of all or any portion of any Limited Partner's Units to another Partner or to a qualified third party, in each case, in certain limited circumstances described in the Partnership Agreement.

Conflicts of Interest

The General Partner and its affiliates face certain conflicts of interest in managing the Partnership. For example, they have a financial interest in the management of other entities which own or are seeking to acquire real estate similar to those targeted by the Partnership, including real estate which may compete with the properties to be acquired by the Partnership. *See* "Certain Conflicts of Interest" below. There is no guaranty that these conflicts will be adequately addressed.

Carried Interest of the General Partner

The distribution of Carried Interest to the General Partner is directly related to the profits derived from the Partnership. This may be viewed as an incentive for the General Partner to acquire riskier or more aggressive investments on behalf of the Partnership than would be the case in the absence of such a performance-based distribution structure.

Further, certain distributions and Carried Interest will be determined separately with respect to each Investment Property. Accordingly, it is possible that a Carried Interest distribution may be made with respect to one Investment Property even though there are no profits, or there are losses, attributable to another Investment Property or on all investments as a whole. Although Carried Interest distributions will be subject to a clawback immediately prior to termination of the Partnership, the Clawback Amount may not be sufficient to cause Partners to receive a return of all of their Capital Contributions and an applicable return thereon.

The General Partner is also permitted to assign its economic interests in the Partnership to third parties, including its Carried Interest rights. In the event of any such assignment of economic interests, the General Partner may have a reduced incentive to maximize returns for the Partnership. Further, the General Partner has agreed to grant to CGC or its designee(s) certain interests in the General Partner entitling CGC or its designee(s) to a portion of the Carried Interest, which may reduce the incentive of ASI to maximize returns for the Partnership.

No Assurance of Distributions; Prior Losses

An investment in the Partnership is illiquid. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The Clawback Amount generally will not exceed the aggregate Carried Interest distributions received by the General Partner, less tax obligations attributable to income allocations in respect thereof. Accordingly, the Clawback Amount may not be sufficient to cause Partners to receive a return of all of their Capital Contributions and an applicable return thereon. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment.

Limited Liability, Removal of the General Partner

The Partnership Agreement provides that the General Partner, each of its affiliates, and each of their respective officers, directors, employees, members, partners, shareholders, agents or trustees, are liable to the Partnership only for losses arising out of their Disabling Conduct. *See* "Liability and Fiduciary Duty – Exculpation and Indemnification" below. The General Partner may only be removed for "Good Cause" (defined below) by a vote of 80%-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner).

Limited Regulation

The Partnership will not be subject to regulation as an "investment company" under the Investment Company Act of 1940 (the "*Company Act*"). In addition, the General Partner is not

currently registered as an "investment adviser" with the SEC under the Investment Advisers Act of 1940 (the "*Advisers Act*"), or with any other state regulator. As a result, the protections that would otherwise be available under the Company Act, the Advisers Act or state laws regulating the activities of investment advisers will not be available to the Partnership or the Limited Partners. If the Partnership was required to register as an investment company under the Company Act or the General Partner was required to register as an investment adviser under the Adviser's Act, such registration could materially adversely affect the Partnership.

ERISA Restrictions

The General Partner will use its reasonable best efforts to avoid the Partnership's assets being deemed to constitute "plan assets" for purposes of ERISA and Section 4975 of the Code by limiting investment by benefit plan investors to less than 25% of the total value of each class of equity interests of the Partnership. Should the investments by benefit plan investors nevertheless exceed 25% of the total value of a class of limited partnership interests, the Partnership may be limited in the types of investments in which it may participate and other materially adverse effects on the Partnership could result.

Reliance on Technology; Cybercrime

The Partnership relies on computer hardware and software, online services, and other computer-related or electronic technology and equipment, which reliance may be increased as a result of the COVID-19 pandemic and resulting work-from-home requirements. Should disruptions occur in the operation of any of that technology or equipment, the Partnership could experience losses, liabilities, or other adverse effects. In particular, the Partnership is subject to risks associated with a breach in its or the Partnership's cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from "hacking" by other computer users, other unauthorized access, and the resulting damage and disruption of hardware and software systems, loss or corruption of data, and misappropriation of confidential information. If a cybersecurity breach were to occur, the Partnership could incur substantial costs, including costs associated with: forensic analysis of the origin and scope of the breach; increased and upgraded cybersecurity; identity theft; unauthorized use of proprietary information; litigation; adverse investor reaction; the dissemination of confidential and proprietary information; and reputational damage. Any such breach could expose the Partnership to civil liability as well as regulatory inquiry and/or action. Investors could also be exposed to additional losses as a result of unauthorized use of their personal information.

Tax Risks

Tax Considerations

The Partnership's income and gain for each taxable year will be allocated to, and includible in, a Partner's taxable income whether or not cash or other property is actually distributed. It is possible that proceeds of sales or other operating income may be required to be applied for other Partnership purposes, such as debt repayment, and therefore will not be distributed. If so, unless the General Partner determines to make distributions to the Partners

from other sources, Partners will have to pay the income tax on allocations of Partnership income or gain, if any, out of non-Partnership funds. Accordingly, each Partner should have alternative sources from which to pay its federal income tax liability, as such income and gain will likely exceed distributions to such Partner for a taxable year.

The Partnership may take positions with respect to certain tax issues which depend on legal conclusions not yet addressed by the courts. Should any such positions be successfully challenged by the Internal Revenue Service ("*IRS*"), a Partner might be found to have a different tax liability for that year than that reported on such Partner's federal income tax return, and be liable for taxes, interest and penalties.

In addition, an audit of the Partnership by taxing authorities may result in an examination by taxing authorities of the returns of some or all of the Partners, which examination could result in adjustments to the tax consequences initially reported by the Partnership and affect items not related to a Partner's investment in the Partnership. If such adjustments result in an increase in a Partner's U.S. federal income tax liability for any year, such Partner may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of the Partnership's tax return will be borne by the Partnership. The cost of any audit of a Partner's tax return will be borne solely by such Partner.

Pursuant to the provisions of Code Subchapter 63C, as amended by the Bipartisan Budget Act of 2015, P.L. 114-74, the Protecting Americans from Tax Hikes Act of 2015, P.L. 114-113, and sections 201 through 207 of the Tax Technical Corrections Act of 2018, contained in Title II of Division U of the Consolidated Appropriations Act of 2018, P.L. 115-141 (the "*Revised Partnership Audit Rules*"), the Partnership will be required to determine and pay an imputed underpayment of tax (plus interest and penalties) resulting from an adjustment of the Partnership's items of income, gain, loss, deduction or credit at the Partnership level without the benefit of Partner-level tax items that could otherwise reduce tax due on any adjustment and, where the adjustment reallocates any such item from one Partner to another, without the benefit of any corresponding decrease in any item of income or gain (or increase in any item of deduction, loss or credit). The cost of any such imputed underpayment of tax (and any interest and penalties) may, in whole or in part, be borne by Limited Partners in the year of adjustment, without any Partnership- or Limited Partner-level tax deduction or credit for the Partnership's payments, rather than by those who were Limited Partners in the taxable year to which the adjustment relates.

The Partnership will provide Schedules K-1 as soon as practicable after receipt of all of the necessary information. Because final Schedules K-1 cannot be prepared until completion of the Partnership's annual audit, the Partnership may not be able to provide final Schedules K-1 to Partners for any given fiscal year until after April 15th of the following year. Partners should be prepared to obtain extensions of the filing date for their income tax returns at the federal, state and local level.

Although a tax-exempt organization is generally exempt from federal income tax on its investment income (such as dividends, interest and capital gains), this general exemption from tax does not apply to the UBTI of a tax-exempt organization. The Partnership may generate

UBTI for tax-exempt investors depending upon the level and nature of leverage, as well as the types of real estate activities, the Partnership undertakes and certain other factors. A prospective Limited Partner that is a tax-exempt organization should consult its own tax advisers with respect to an investment in the Partnership.

The present U.S. federal income tax treatment of the Partnership and the Limited Partners may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time, which could affect the U.S. federal income tax treatment of an investment in the Partnership and the activities of the Partnership. Each prospective Limited Partner is urged to consult its own tax advisors with respect to any such legislation and the potential tax consequences of an investment in the Partnership.

State Tax Filings

The Partnership, or any entity in which the Partnership invests that is treated as a partnership or disregarded entity for tax purposes, may be doing business in various states that may require each Partner of the Partnership, or such subsidiary entity, to file an income tax return. Where a state income tax return is required, each Partner of the Partnership may be required to file an income tax return in such state with respect to the Partner's allocable share of the Partnership's income attributable to such state. Because the Partnership may do business in various states, or may invest in entities treated as partnerships or disregarded entities for tax purposes that do business in various states, it is possible that a particular Partner will be required to file income tax returns in a number of states and may be required to submit notices of non-residency to the Partnership as a result of such Partner's investment in the Partnership.

The taxation of partnerships and partners is complex. Prospective investors are strongly urged to review the discussion below under "Certain U.S. Federal Income Tax Considerations" and to consult their own tax advisers before investing in the Partnership.

CERTAIN CONFLICTS OF INTEREST

The Partnership will be subject to various conflicts of interest arising out of its relationship to the General Partner and its affiliates, including those relating to the management of the Partnership. Agreements and arrangements, including those relating to compensation, between the Partnership and the General Partner 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 Partnership, should be carefully evaluated before determining whether to invest in the Partnership.

Allocation of Time and Resources

The Partnership Agreement prohibits the General Partner from engaging in any activity other than serving as the general partner of the Partnership (or of any investment entity that serves as a "feeder" to the Partnership) and requires the General Partner to devote all of its time to the management of the Partnership business. However, all principals of the General Partner are also principals of one or more General Partner Affiliates and there is no requirement that any of the principals of the General Partner or any affiliate of the General Partner, nor any such affiliate's respective officers, directors, employees, members, partners, shareholders, agents or trustees (each, a "*General Partner Affiliate*") to devote all of their professional time (or indeed any specified minimum amount of time) to managing the activities of the Partnership. General Partner Affiliates intend to devote only as much of their time to managing the Partnership as they deem necessary and appropriate. Accordingly, conflicts may arise in allocating management time, services and functions between the Partnership and other partnerships or business ventures in which General Partner Affiliates are involved now or in which they may become involved in the future.

Other Ventures of General Partner Affiliates.

General Partner 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, General Partner Affiliates are and will continue to be general partners or members of other entities which have invested, or have been formed to invest, in real properties. Neither the Partnership nor any other Partner will have any right to participate in any manner in any profits or income earned or derived by the General Partner or any General Partner Affiliate from or in connection with the conduct of any such other business venture or activity. Such ventures may be competitive with the Partnership. No General Partner Affiliate will be required to offer to the Partnership any particular investment opportunity which comes to its attention, even if the opportunity is suitable for investment by the Partnership.

General Partner Affiliates have formed and 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 Partnership. If a General Partner Affiliate is presented with

an investment opportunity which would be appropriate for the Partnership but might also be appropriate for another such investment entity, the General Partner 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 General Partner Affiliates as a result of their sponsorship of other investment entities may be greater or less than their aggregate compensation from the Partnership. Such a decision as to whether the Partnership or another investment entity would make such an investment would be made by the General Partner 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 in accordance with ASI's investment allocation policy which requires consideration of various factors, including each such entity's stated investment objectives, timing and strategy (including targeted return rates), operating documents and other governing agreements (including side letters), investment and operating guidelines and restrictions, diversification and concentration limitations (taking into account the potential for follow-on investments), portfolio construction considerations, tax and regulatory considerations, minimum dollar limitations, risk considerations, leverage availability and limitations, liquidity constraints, and sourcing of the transaction.

As of the date of this Memorandum, the General Partner Affiliates with investment objectives most similar to the Partnership are Fund II and Fund III. Fund II cannot make further new investments. Fund III, however, is still in its fundraising stages and has not yet made its first investment. While Fund III has an investment objective and strategy which is similar to that of the Partnership (i.e., affordable and workforce housing), Fund III is marketed primarily to institutional investors and will target properties which are located in specific, targeted locations that are projected to provide credit under the Community Reinvestment Act for the regulated financial institutions invested in Fund III. The Partnership has no such geographic requirements. Additionally, Fund III is subject to different terms than the Partnership, including that Fund III may invest in properties through joint ventures which are controlled by third party developers, whereas the Partnership will, directly or indirectly through one or more Property Entities, retain control of each Investment Property. General Partner Affiliates also have and may in the future, through separate joint venture or separate account relationships with institutional investors, acquire other affordable and workforce multifamily properties. These investments tend to be larger properties, per the requirements of the investors, and are typically expected to be held for longer periods of time, perhaps up to ten (10) years, as compared to the investments anticipated to be made by the Partnership. Because of the nature of these investments and the requirements of the investment partners, the General Partner does not believe that such investment activity is expected to be materially competitive or in conflict with the investment activity of the Partnership. Despite these differences, however, it is still possible that a conflict situation could arise where a single potential investment property could fit the investment criteria for both the Partnership, on the one hand, and Fund III or another General Partner Affiliate, on the other hand, and where the considerations required by ASI's investment allocation policy would not provide for a clear allocation decision. In such cases, the investment allocation policy calls for such a conflict to be resolved by having the respective competing funds take turns such that whichever fund is allocated such investment opportunity, then the next available opportunity would be allocated to the other fund.

General Partner Affiliates may also face conflicts of interest when making investment decisions for their personal portfolio and for the Partnership. For example, when deciding

whether to sell or lease properties, a General Partner Affiliate may have financial incentives to give priority to properties that such person owns in its own portfolio, as opposed to the properties owned by the Partnership, particularly in cases where those properties are located in the same geographical areas. A General Partner Affiliate may also have financial incentives to cause the Partnership to engage in transactions that could improve the value of investments in such affiliate's personal portfolio. For example, it may have incentives to inflate the prices of assets that the Partnership acquires or offers to sell, in order to make the pricing of similarly-situated assets in such affiliate's personal portfolio appear more attractive to potential buyers or lessees. In making any such investment decision, the General Partner Affiliate will take into account his, her or its fiduciary duties.

Investment Property Level Fees and Services

The Partnership Agreement provides that, to the extent permitted by applicable law, the General Partner, when acting on behalf of the Partnership, is authorized to purchase, acquire, and develop property, options or other assets from, sell property, options or other assets to, borrow funds from, or otherwise deal with, the General Partner (acting other than in its capacity as general partner of the Partnership) or any other General Partner Affiliate; provided that such contracts and dealings are necessary or appropriate for Partnership purposes and the fees, prices or other compensation paid by the Partnership therefor are, in the reasonable judgment of the General Partner, reasonable under the circumstances or competitive with the fees, prices or other compensation customarily paid for similar property or services in the same geographic area or such contracts and dealings have been approved by either (a) the Advisory Committee (if one exists) or (b) a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner). Without limitation of the foregoing, the Limited Partners will be deemed to have consented to the Partnership's and/or the General Partner's transactions with affiliates that were previously disclosed in and based on the terms described herein and in the Partnership Agreement. Any transaction between the Partnership and the General Partner Affiliates will be entered into without the benefit of arm's-length bargaining and may involve conflicts of interest.

The Partnership Agreement further provides that, if the General Partner (or its affiliate or designee) determines that construction, property management, sales, leasing, finance or other services are required as part of the Partnership's or any Investment Property's redevelopment activity, such services may be provided by the General Partner or its affiliates (each, an "*Affiliated Service Provider*") and/ or an Affiliated Service Provider may arrange for the provision of such services by third party service providers. In either case, the Affiliated Service Provider will be entitled to receive fees ("*Investment Property Level Fees*") in connection with providing or arranging for the provision of such services as set forth in the Partnership Agreement and described herein, or as otherwise approved by a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner) or the Advisory Committee.

Investment Property Level Fees will be in addition to, and will not offset, or cause a reduction in, the Management Fee. They will include the real estate investment-related fees described above and below.

Construction Management Fee. If an Affiliated Service Provider provides construction management or development services in relation to any Investment Property, then that Affiliated Service Provider will be paid a "*Construction Management Fee*." The Construction Management Fee paid to an Affiliated Service Provider shall not exceed 6% of construction costs, except as otherwise approved by a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner) or the Advisory Committee.

Other Fees. An Affiliated Service Provider may charge the Partnership such fees for such additional services (or the above services if to be provided on terms materially less favorable to the Partnership than those described above) as are either (a) in the reasonable judgment of the General Partner, reasonable under the circumstances or competitive with the fees, prices or other compensation customarily paid for similar property or services in the same geographic area or (b) approved by a Majority-in-Interest of the Limited Partners (excluding from such calculation the Units of affiliates of the General Partner) or the Advisory Committee.

Investment Property Level Fees paid to unaffiliated third parties shall be in whatever amounts as are negotiated with the applicable third party by the General Partner (or Affiliated Service Provider). Investment Property Level Fees may be paid by the Partnership or directly by the applicable Property Entity. In either case, Investment Property Level Fees will be borne by the Partners *pro rata* based on their respective Capital Contributions deemed made in respect of the applicable Investment Property.

Indemnification

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

Existing Investment Properties, Warehoused Investments and Other Affiliated Transactions

General Partner Affiliates are subject to conflicts between acting in the best interests of the Partnership and assisting themselves by selling the Warehoused Investments. In addition, the disclosures set forth in any Supplemental Materials provided to investors with respect to an Existing Investment Property (including any Warehoused Investment), may be incomplete or out of date. By making a Capital Commitment, each Limited Partner will be deemed to have agreed to receive the limited information provided and to make a Capital Commitment regardless of whether such incomplete or out of date information is or may be material to such Limited Partner's determination to do so. Furthermore, by making a Capital Commitment, each Limited Partner consents to the Partnership's acquisition of the Existing Investment Properties (including Warehoused Investments) disclosed to such Limited Partner prior to its admission to the Partnership.

In addition to the conflicts associated with Warehoused Investments, conflicts of interest may also arise in connection with other transactions between General Partner Affiliates and the Partnership. For example, the General Partner may cause the Partnership to purchase assets from or sell assets to, or engage in other transactions with, other clients or vehicles

when the General Partner believes such transactions are appropriate and in the best interests of each client. The General Partner may, but is not required to, seek the consent of a Majority-in-Interest of the Limited Partners or the Advisory Committee before causing the Partnership to participate in any new conflict of interest transaction with General Partner Affiliates. The General Partner will be automatically deemed to have no conflict vis a vis transactions actually approved by either a Majority-in-Interest of the Limited Partners or the Advisory Committee

For each Warehoused Investment acquired by the Partnership, the Partnership will pay a sum equal to (i) the purchase price paid by the General Partner or its affiliates therefor, plus (ii) interest thereon not to exceed 8% *per annum.* Any Warehoused Investments acquired by the Partnership after the date of this Memorandum will bear interest at Prime Rate plus 2% *per annum* and may include other financing charges or fees not in excess of the amounts which would be charged by unrelated lending institutions on comparable loans for the same purpose in the same locality.

Potential Affiliated Loans

It is possible that a General Partner Affiliate will make mortgage or other loans to the Partnership for the acquisition of one or more of the Investment Properties, as an advancement of expenses, or for other purposes. Any such loan may be secured by an interest in and repaid from the proceeds of such Investment Property received by the Partnership. This could create a conflict of interest, both in the setting of the terms of the lending transaction and also in connection with the administration, refinancing, modification or enforcement of the loan.

Joint Investments

The General Partner may cause the Partnership to invest in one or more Investment Properties jointly with another equity fund or account managed by an affiliate of the General Partner. *See* "Summary of Principal Partnership Terms—Joint Investments," above. Such an investment could permit the Partnership 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 Partnership to fully invest its Capital Commitments. However, the General Partner could find itself in a situation where the Partnership'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 General Partner could have a conflict of interest between its interest as the General Partner of the Partnership and its interests as the affiliated joint investor.

Partnership Representative

Under the Partnership Agreement, the General Partner will be the "partnership representative" of the Partnership so long as it qualified as partnership representative under Code Section 6223 or until it resigns or is removed in accordance with the Partnership Agreement. The partnership representative shall have all of the powers and authority of a partnership representative under the Revised Partnership Audit Rules and will represent the Partnership and all of the Partners, at the Partnership's expense, in all examinations of the Partnership's affairs

by the IRS. Such proceedings may involve or affect other investment partnerships sponsored by the General Partner or affiliates thereof, and the position taken by the partnership representative may have differing effects on the Partnership and such other investment partnerships. In addition, any position taken by the partnership representative may have different effects on the General Partner and the Limited Partners. If the partnership representative were to choose to contest an adverse determination of the IRS in the United States District Court, rather than in the tax court, the Limited Partners would be required to pay any disputed tax and sue for a refund, while a suit brought in the tax court would not require the advance payment of amounts in dispute. The partnership representative will be empowered to make certain decisions on behalf of all Partners, such as extensions of the statute of limitations. Any such decision would involve conflicts of interest on the part of the partnership representative.

Sales/Refinancings of Investment Properties

In making a decision as to whether or not to sell the Partnership's interest in a Property Entity or as to whether or not the Partnership should direct or consent to the sale or refinancing of an Investment Property by a Property Entity, the General Partner may also be subject to conflicts of interest. Such decisions will be made by the General Partner without consulting the Limited Partners. The General Partner or its Affiliates may receive certain benefits from such a sale or refinancing and other benefits from operations, as described in this Memorandum. Under certain circumstances it may be in the economic interest of the General Partner or its Affiliates to sell or refinance an Investment Property or to retain such Investment Property while the same may not be in the economic interest of the Limited Partners. Accordingly, in making any such decision, the interests of the General Partner or its Affiliates may not necessarily be the same as those of the investors.

Mortgage Loans

Any Mortgagee Partner may, at any time, make, guarantee, own, acquire or otherwise credit enhance, in whole or in part, a Mortgage Loan. The Partnership will not have any interest in any Mortgage Loan. The Mortgagee Partner may take any actions that the Mortgagee Partner, in its discretion, determines to be advisable in connection with a Mortgage Loan (including in connection with the enforcement of a Mortgage Loan) and no such action will be limited by or constitute a breach of any provision of any organizational or operating agreement or document pertaining to the Partnership, or of any fiduciary or similar duty that may be owed by the Mortgagee Partner, as a Limited Partner in the Partnership, to any party. The Mortgagee Partner will not be acting on behalf of or as agent for the Partnership in connection with a Mortgage Loan, and the Partnership will waive any claims against any Mortgagee Partner relating to any Mortgage Loan and based in any way upon the Mortgagee Partner's status as a Limited Partner in the Partnership.

Conflicts Relating to Carried Interest

Because the General Partner will receive incentive-based compensation, the General Partner and its principals have a conflict of interest between their responsibility to manage the Partnership for the benefit of Limited Partners and their interest in maximizing the amounts which the General Partner will receive. For example, Carried Interest distributions to the General

Partner may create an incentive for the General Partner to engage in more speculative investing than might be the case were only a percentage-of-assets fee payable to the General Partner. Conversely, if the General Partner assigns its Carried Interest rights to a third party, the General Partner may have a reduced incentive to maximize returns for the Partnership.

Conflicts Relating to General Partner Transfers

Except where such assignment would cause an uncured Key Person Event, the General Partner may assign its general partner interest in the Partnership at any time in its sole discretion, including to its affiliate or an assignment of its economic interests in the Partnership to a third party. If such an assignment is made, the General Partner and its personnel may have less economic interest in the Partnership.

No Separate Counsel; No Independent Verification

Holland & Knight LLP ("*Counsel*") represents the General Partner and certain General Partner Affiliates. Counsel does not purport to and does not represent the Partnership or the separate interests of the Limited Partners and has assumed no obligation to do so. Because of the limitations of these legal relationships, Limited Partners have not had the benefit of independent counsel in the structuring of the Partnership or the determination of the relative interests, rights, and obligations of the General Partner and the Limited Partners. This Memorandum was prepared based on information furnished by the General Partner, and Counsel has not independently verified that information.

Diverse Limited Partner Group

The Limited Partners may have conflicting investment, tax and other interests with respect to their investments in the Partnership. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by the Partnership, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partner, including with respect to the nature or structuring of investments, which may be more beneficial for one Limited Partner than for another Limited Partner, especially with respect to Limited Partners' individual tax situations. In addition, the Partnership may make investments that may have a negative impact on related investments made by the Limited Partners in separate transactions. In selecting and structuring investments appropriate for the Partnership, the General Partner will consider the investment and tax objectives of the Partnership and its Partners as a whole, not the investment, tax or other objectives of any Limited Partner individually.

LIABILITY AND FIDUCIARY DUTY

Fiduciary Duty of the General Partner

The General Partner owes a fiduciary duty to the Limited Partners under applicable law as modified by and to the extent provided for in the Partnership Agreement and described herein. *See* "Exculpation and Indemnification of General Partner" below. If a Limited Partner believes that the General Partner has breached its obligations under the Partnership Agreement, that Limited Partner may seek legal relief directly or on behalf of the Partnership under applicable laws to recover damages from or require an accounting by the General Partner. However, it should be noted that the cost of litigation against the General Partner for enforcement of its contractual and related fiduciary obligations may be prohibitively high, and there can be no assurance that adequate legal remedies will be available to the Limited Partners. Further, the disclosures relating to the business terms of the Partnership contained in this Memorandum (and the Limited Partners' consent thereto) would be used as a defense by the General Partner if a Limited Partner were to assert that the General Partner had violated its fiduciary duty in agreeing to such terms.

No Limited Partner, in its capacity as such, will owe a fiduciary duty to the Partnership or to the other Partners.

Exculpation and Indemnification of General Partner

The Partnership Agreement provides that each of the General Partner, each of its affiliates, 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 Partnership or to any Partner for any damages suffered by the Partnership, *except* to the extent that such damages arose from such Indemnified Party's gross negligence, intentional misconduct, bad faith, or fraud in connection with the performance of its obligations under the Partnership Agreement or a material breach of this Agreement that has a materially adverse effect on the Partnership or the Limited Partners as a whole, in each case, as finally determined by non-appealable ruling of a court of competent jurisdiction ("*Disabling Conduct*").

Without limiting the foregoing, no Indemnified Party will have any liability to the Partnership or any Partner for any claims or losses due to circumstances beyond its control, such as the bankruptcy or insolvency of any bank, real estate broker or other counterparty, or any error by any third-party service provider. No Indemnified Party will have any liability in respect of valuations or other information provided to such Indemnified Party by any bank, dealer, broker or appraiser selected in good faith by the General Partner. To the extent that, at law or in equity, an Indemnified Party has duties and liabilities relating thereto to the Partnership or to any Partner with respect to such action or inaction, any Indemnified Party acting under the Partnership Agreement will not be liable to the Partnership or any Partner for its good faith reliance on the provisions of the Partnership Agreement.

An Indemnified Party will incur no liability in acting in good faith upon any signature or writing believed by such Indemnified Party to be genuine, may rely on a certificate signed by an

executive officer of any Person in order to ascertain any fact with respect to such Person or within such Person's knowledge, and may rely on an opinion of counsel selected (subject to this paragraph) by such Indemnified Party with respect to legal matters. Each Indemnified Party may act directly or through such Indemnified Party's agents or attorneys. Each Indemnified Party may consult with counsel, appraisers, accountants and other skilled Persons selected and retained with reasonable care by such Indemnified Party and will not be liable for anything done, suffered or omitted in good faith in reliance upon the advice of any of such Persons, except to the extent that such reliance constituted Disabling Conduct.

Each Indemnified Party will be indemnified, defended and held harmless by the Partnership to the fullest extent allowed by Delaware law (and in addition to, but cumulative with, any and all rights to which such Indemnified Party may otherwise be entitled by contract or applicable law) against damages suffered or sustained by them in connection with the Partnership except to the extent that such damages arose from such Indemnified Party's Disabling Conduct.

Reasonable expenses incurred by an Indemnified Party in defense or settlement of any claim for damages may be advanced by the Partnership to such Indemnified Party prior to the final disposition thereof upon receipt of an undertaking by or on behalf of such Indemnified Party to repay such amount to the extent such damages are determined to have arisen from such Indemnified Party's Disabling Conduct. However, the Partnership will not pay, or reimburse the General Partner or its Affiliates for, any costs or expenses incurred by the General Partner or its Affiliates in defending any claim asserted against them by a Limited Partner unless and until such claim is either settled or finally resolved without a finding that the General Partner or its Affiliates failed to meet the standard for indemnification described above, or a Majority-in-Interest of the Partners approves the payment or reimbursement of costs and expenses incurred by the General Partner or its Affiliates.

The foregoing provisions may limit the remedies that would otherwise be available to Limited Partners or result in a reduction of the Partnership's assets due to indemnification payments. The General Partner is not required to obtain insurance covering any such indemnification payments. If the General Partner does obtain such insurance, however, it may charge the costs of that insurance to the Partnership.

Possible Return of Distributions

Each Partner (including any former Partner) may be required, in the General Partner's sole discretion, to return amounts distributed to such Partner or former Partner (or any of its predecessors in interest) by way of distribution or withdrawal for the purpose of meeting such Partner's share of any taxes, interest, penalties, or similar amounts ("*Giveback Obligation*") the cost of which is borne by the Partnership (directly or indirectly) that relate to any period during which such Partner or former Partner (or any of its predecessors in interest) held an interest in the Partnership.

Limited Liability of Limited Partners

Delaware law provides that a limited partner is not liable for the obligations of a limited partnership unless the limited partner is also a general partner or, in addition to the exercise of its

rights and powers as a limited partner, the limited partner participates in the control of the business. However, if the limited partner participates in the control of the business, the limited partner is liable only to persons who transact business with the limited partnership reasonably believing, based upon the limited partner's conduct, that the limited partner is a general partner.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a U.S. taxpayer that invests in the Partnership as a Limited Partner, based upon the Internal Revenue Code of 1986, as amended (the "*Code*"), judicial decisions and administrative regulations and rulings of the Treasury, all as in effect as of the date hereof and all of which are subject to change. No assurance can be given that administrative, judicial or legislative changes will not occur that would make the foregoing statements incorrect or incomplete. Because the tax consequences of an investment in the Partnership will vary from Limited Partner to Limited Partner, depending upon each Limited Partner's income tax circumstances, this summary does not attempt to discuss all the federal income tax consequences of such an investment. Specifically, this summary does not include any discussion of the income tax consequences of an investment by investors subject to special circumstances, such as financial institutions, insurance companies, regulated investment companies, dealers in securities, persons holding Units as a position in a straddle, conversion transaction, or other integrated transaction, or investors that are not U.S. persons within the meaning of Code Section 7701(a)(30). Tax effects on Limited Partners of federal income tax laws may not be the same as those of state or local income tax laws. Prospective investors are therefore urged to consult their personal tax advisers regarding the effects of state and local taxes on an investment in the Partnership.

PROSPECTIVE INVESTORS SHOULD NOT CONSIDER THE CONTENTS OF THIS MEMORANDUM AS LEGAL OR TAX ADVICE AND SHOULD CONSULT THEIR OWN TAX ADVISERS ABOUT THE TAX CONSEQUENCES OF INVESTING IN THE PARTNERSHIP AS A LIMITED PARTNER. THIS DISCUSSION IS NOT INTENDED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING, PARTICULARLY BECAUSE CERTAIN OF THE INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE PARTNERSHIP MAY NOT BE THE SAME FOR ALL TAXPAYERS. ACCORDINGLY, PROSPECTIVE INVESTORS IN THE PARTNERSHIP ARE URGED TO CONSULT THEIR TAX ADVISERS WITH SPECIFIC REFERENCE TO THEIR OWN TAX SITUATIONS UNDER FEDERAL LAW AND THE PROVISIONS OF APPLICABLE STATE, LOCAL AND OTHER LAWS BEFORE SUBSCRIBING FOR UNITS.

Partnership Status

The General Partner believes that each of the Partnership and each Property Entity will be classified as a partnership for U.S. federal income tax purposes and not as an association or a "publicly traded partnership" taxable as a corporation. These beliefs may not be shared by the IRS or any court, and there can be no assurance that the IRS will not assert that the Partnership or one or more Property Entities should be treated as an association or a "publicly traded partnership" taxable as a corporation or as a publicly traded partnership taxable as a corporation. The following discussion assumes that each of the Partnership and the Property Entities will be treated as a partnership for U.S. federal income tax purposes.

Taxation of Partners on Profits and Losses of the Partnership

The Partnership, as an entity, is generally not subject to federal income tax. Each Limited Partner is required for U.S. federal income tax purposes to take into account, in its taxable year with which or within which a taxable year of the Partnership ends, its distributive share of all items of Partnership income, gain, loss, deduction and other items for such taxable year of the Partnership. A Limited Partner must take such items into account even if the Partnership does not distribute cash or other property to such Limited Partner during its taxable year. A Partner's share of such items for U.S. federal income tax purposes is generally determined by the allocations made pursuant to the Partnership Agreement, unless such items so allocated do not have "substantial economic effect" or are not in accordance with the Partner's Units in the Partnership. Under the Partnership Agreement, allocations are generally made in accordance with the relevant principles provided for in the Treasury Regulations underlying the Code and are intended to equate, over the Partnership's term, the tax and financial consequences of an investment in the Partnership as a Partner. The following discussion assumes that the allocations set forth in the Partnership Agreement are valid and will not be successfully challenged by the IRS pursuant to an audit.

Profits and Losses of the Partnership

Given the variety of potential investments that might be made by the Partnership, it is beyond the scope of this Memorandum to describe all of the tax consequences of each potential investment. Nevertheless, it should be noted that the General Partner believes that the Partnership may, for U.S. federal income tax purposes, recognize gains and losses with respect to the disposition of real property interests, interest income (including interest income related to the purchase of loans at a market discount or those with original issue discount), interest expense, rental income, certain types of fees and other items of income and expense. Furthermore, although the General Partner does not currently intend for the Partnership's activities to include the development and sale of condominium units, should the Partnership engage in such activities, all the gain from the disposition of such assets may be taxable as "ordinary income" and not eligible for any reduced tax rates that may be applicable with respect to capital gains. In general, to the extent the Partnership recognizes various items of income with respect to certain investments, such as interest income and gains on the disposition of a loan or property interest, such items of income may, in some circumstances, be offset by various items of loss recognized by the Partnership with respect to other investments. However, items of ordinary income may not be offset with capital losses, which generally are deductible only against capital gains. The cumulative effect of the rules regarding the character and timing of income, gains and losses is that, for any given taxable period, a Partner may be required to compute its tax liability with respect to its investment in the Partnership based on an amount that exceeds such Partner's economic income from its investment.

IN ANY EVENT, PROSPECTIVE LIMITED PARTNERS MUST TAKE NOTE OF THE FACT THAT AS LIMITED PARTNERS THEY MUST, AS DESCRIBED ABOVE, TAKE INTO ACCOUNT THEIR ALLOCABLE SHARES OF PARTNERSHIP INCOME, GAIN AND OTHER ITEMS. AS A RESULT, LIMITED PARTNERS MUST PAY THE CORRESPONDING AMOUNT OF TAX WITH RESPECT TO SUCH ITEMS EVEN IF THE PARTNERSHIP DOES NOT DISTRIBUTE CASH OR OTHER PROPERTY TO LIMITED PARTNERS DURING THE RELEVANT TAXABLE YEAR. ACCORDINGLY, TO THE EXTENT ITEMS OF PARTNERSHIP INCOME OR GAIN ARE TAKEN INTO ACCOUNT

BY A LIMITED PARTNER IN A TAXABLE YEAR WHEN THE PARTNERSHIP DOES NOT MAKE ANY DISTRIBUTIONS TO THE LIMITED PARTNERS, THE CORRESPONDING TAX INCURRED BY A LIMITED PARTNER WITH RESPECT TO ITS UNITS WILL HAVE TO BE PAID FROM OTHER SOURCES.

Cash Distributions

Cash received from the Partnership by a Limited Partner as a distribution with respect to its Units is generally not reportable as taxable income by a Limited Partner, except as described below. Rather, such distribution reduces (but not below zero) the total tax basis (described below) of the Limited Partner's Units after the distribution or redemption. Any cash distribution in excess of a Limited Partner's tax basis for its Units is taxable to it as gain from the sale or exchange of such Units. Because the tax basis of a Partner that has not redeemed all of its Units is not increased on account of its distributive share of the Partnership's income until the end of the Partnership's taxable year, distributions during the taxable year could result in taxable gain to a Limited Partner even though no gain would result if the same distributions were made at the end of the taxable year.

Limitations on Deductibility of Partnership Losses

The amount of any loss of the Partnership that a Limited Partner is entitled to include in its income tax return is limited to its tax basis for its Units as of the end of the Partnership's taxable year in which such loss occurred. Generally, a Limited Partner's tax basis for its Units is the sum of such Limited Partner's Capital Contributions reduced (but not below zero) by the Limited Partner's share of any Partnership distributions, losses realized and expenses (including certain expenses of the Partnership which are not properly chargeable to the capital account and which are not deductible in computing the Partnership's taxable income) and increased by the Limited Partner's share of the Partnership's qualifying indebtedness and realized income, including gains.

Similarly, a Limited Partner that is subject to the "at risk" limitations (generally, non-corporate taxpayers and closely held corporations) may not deduct losses of the Partnership to the extent that they exceed the amount it has "at risk" with respect to its Units at the end of the taxable year. The amount that a Limited Partner has at risk will generally be the same as its tax basis described above, less its share of any non-qualifying Partnership indebtedness and any amounts borrowed by the Limited Partner in connection with the acquisition of the Units (i) for which such Limited Partner is not personally liable and for which no property or assets (other than the acquired Units) have been pledged as security or (ii) from a person who has any Units in the Partnership or a person related to such person.

Losses denied under the basis or at risk limitations are suspended and may be deducted in subsequent years, subject to these and other applicable limitations.

The Code also contains rules designed to prevent individuals, estates, trusts, personal service corporations and closely-held corporations from deducting losses from "passive activities" against income not derived from such activities. The Partnership believes that under Treasury Regulations dealing with these so-called "passive activity" loss provisions, a substantial portion

of the Partnership's activities will constitute passive activities with respect to a Limited Partner. Therefore, losses from the Partnership will be subject to the passive activity loss limitation rules and income from other activities which are not passive activities may not generally be offset by the Partnership's passive losses, if any. Any losses disallowed under the passive activity limitations may be carried forward to future taxable years.

In any case, tax losses are not an objective of the Partnership.

Limited Deduction for Certain Expenses

The Code provides that, for non-corporate taxpayers who itemize deductions when computing taxable income, expenses of producing income, including investment advisory and management fees, are to be aggregated with unreimbursed employee business expenses and other expenses of producing income (collectively, the "*Aggregate Investment Expenses*"), and the aggregate amount of such expenses will be deductible only to the extent such amount exceeds 2% of a taxpayer's adjusted gross income.

Whether the Partnership's Management Fees and certain other ordinary expenses are fully deductible or characterized as Aggregate Investment Expenses depends upon whether the Partnership is engaged in a trade or business for U.S. federal income tax purposes for purposes of these rules.

The IRS could contend that such Management Fees and expenses constitute Aggregate Investment Expenses. In addition, the IRS could contend that the Carried Interest is a fee subject to the foregoing limitations rather than an allocation of taxable income. If any of these contentions were to be sustained, each non-corporate Limited Partner's *pro-rata* share of the amounts so characterized would be deductible only to the extent that such Limited Partner's Aggregate Investment Expenses exceed 2% of such Limited Partner's adjusted gross income and, when combined with certain other itemized deductions, would be subject to the reduction of itemized deductions described below. As a result, each non-corporate Limited Partner's share of taxable income from the Partnership would be increased (solely for tax purposes) by such Limited Partner's *pro-rata* share of the amounts so characterized.

In addition, Aggregate Investment Expenses in excess of the 2% threshold, when combined with certain of a non-corporate taxpayer's other miscellaneous deductions, are subject to a reduction, which is generally equal to 3% of the taxpayer's adjusted gross income over the threshold amount. The reduction cannot exceed a specified percentage of the itemized deductions otherwise allowable. Moreover, such Aggregate Investment Expenses are miscellaneous itemized deductions which are not deductible by a non-corporate taxpayer in calculating its alternative minimum tax liability.

To the extent the Partnership's activities constitute "passive activities" with respect to a Limited Partner (as described above), the amounts discussed under this heading would not be subject to the limitations discussed under this heading, but rather would be subject to the more restrictive limitations on deducting losses from "passive activities," as described above.

PROSPECTIVE NON-CORPORATE INVESTORS MUST CONSULT THEIR OWN TAX ADVISERS CONCERNING THE FOREGOING "AGGREGATE INVESTMENT

EXPENSE" ISSUE, WHICH IS A MATTER OF UNCERTAINTY AND COULD HAVE A MATERIAL IMPACT ON AN INVESTMENT IN THE PARTNERSHIP IN TERMS OF THE TOTAL TAX PAYABLE.

Amounts paid or incurred to organize the Partnership may, at the election of the Partnership, be treated for tax purposes as deferred expenses that may be ratably deducted over a period of not less than 180 months, subject to applicable limitations. The Partnership may make such an election. Expenditures in connection with the issuance and marketing of Units (*e.g.*, selling commissions paid to placement agents) are not subject to the 180-month amortization provision and are not deductible. As a result, such expenses should not reduce the Limited Partner's tax basis in the Units held by such Limited Partner. Instead, such Limited Partner may have a capital loss with respect to its Units in the Partnership, upon dissolution of the Partnership, which capital loss generally may only be offset against capital gains.

Limitation on Deductibility of Interest on Investment Indebtedness

Interest paid or accrued on indebtedness properly allocable to property held for investment is investment interest. Interest expense incurred by a Limited Partner to acquire or carry its interest in the Partnership may constitute investment interest. Such interest is generally deductible by non-corporate taxpayers only to the extent it does not exceed net investment income (that is, generally, the excess of (i) gross income from Investment Property, including interest, dividends, rents and royalties, which would include a Limited Partner's share of the Partnership's interest and rent income and certain gains from the disposition of Investment Property, over (ii) the expenses (other than for interest) directly connected with the production of such investment income). Any investment interest expense disallowed as a deduction in a taxable year solely by reason of the above limitation is treated as investment interest paid or accrued in the succeeding taxable year. In addition, some states may eliminate or substantially limit the deductibility of investment interest expense for state tax purposes. Prospective Limited Partners are urged to consult their tax advisers regarding the state tax consequences with respect to investment interest expense.

To the extent the Partnership's activities were to constitute "passive activities" with respect to a Limited Partner, any "investment interest" would not be subject to the limitations described under this heading, but rather would be subject to the more restrictive limitations on deducting losses from "passive activities," as described above.

Sale or Other Disposition of Units

A Limited Partner will generally be required to recognize gain or loss on a sale or other disposition of Units measured by the difference between the amount realized on the sale or other disposition and the Limited Partner's adjusted tax basis in the Units disposed of. The amount realized will include the Limited Partner's share (as determined solely for federal income tax purposes) of the Partnership's liabilities, as well as any cash or other proceeds received in the transaction. The gain or loss recognized by a Limited Partner on a sale or other disposition of Units will generally be taxable as long-term capital gain or loss if the Limited Partner has held such Units for more than one year at the time of disposition. Some or all of any such gains, however, may be recharacterized as ordinary income under Section 751 of the Code

or as "unrecaptured Section 1250 gain" currently taxable at a 25% federal rate for an individual, depending on the composition of the assets of the Partnership. The deductibility of long-term and short-term capital losses may be subject to limitations. Prospective investors should consult their tax advisers about the potential impact of a disposition of Units on their particular tax situations.

Tax on Net Investment Income

A 3.8% tax will be imposed on some or all of the net investment income of certain individuals with modified adjusted gross income of over $200,000 ($250,000 in the case of joint filers) and the undistributed net investment income of certain estates and trusts. For these purposes, it is expected that all or a substantial portion of a Limited Partner's share of Partnership income will be net investment income. In addition, certain Partnership Expenses may not be deductible in calculating a Limited Partner's net investment income.

Tax-Related Concerns of Exempt Organizations

Tax-exempt organizations generally are subject to federal income tax on their UBTI. Generally, a tax-exempt entity that incurs UBTI is taxed on such income at the regular trust or, in the case of certain entities, corporate federal income tax rates. Where a tax-exempt entity owns an interest in a partnership, the activities of the partnership are attributed to it for purposes of determining whether the tax-exempt entity's distributive share of partnership income is UBTI. Accordingly, the amount of UBTI that is realized by tax-exempt Limited Partners will depend on the nature of the Partnership's operations and its real estate activities. For example, though not currently anticipated, if the Partnership activities were to include the development and sale of condominium units, the Partnership may be treated as a "dealer" and all the gain from the disposition of such assets may be UBTI.

UBTI is defined generally as any gross income derived by a tax-exempt entity from an unrelated trade or business that it regularly carries on, less the deductions directly connected with that trade or business. However, Section 512(b) of the Code provides that interest, dividends, certain rents from real property, gain from the sale of property that is not held for sale to customers in the ordinary course of business and certain other types of income generally are not treated as UBTI. Nevertheless, Section 514 of the Code provides that UBTI includes a percentage of any gross income not otherwise treated as UBTI (less the same percentage of applicable deductions) that is derived from any property that is subject to "acquisition indebtedness." Acquisition indebtedness includes the amount of any mortgage or lien to which property is subject at the time of its acquisition and debt incurred after the acquisition or improvement of any property if the debt would not have been incurred but for such acquisition or improvement and the incurrence of the debt was reasonably foreseeable at the time of the acquisition or improvement. In addition, income or gain realized on an investment in the Partnership by a tax-exempt investor will result in UBTI if the tax-exempt investor incurs borrowing in connection with its purchase of Units.

In certain circumstances, the receipt of excessive amounts of UBTI may cause certain tax-exempt entities to lose their tax exemptions, and in certain circumstances the UBTI may be subject to a confiscatory excise tax at a rate of 100%. (For example, a charitable remainder trust

that recognizes any UBTI in any taxable year is subject to a 100% tax on all of such trust's UBTI earned during such year.) A PROSPECTIVE LIMITED PARTNER THAT IS A TAX-EXEMPT ENTITY SHOULD CONSULT ITS OWN TAX ADVISERS WITH RESPECT TO AN INVESTMENT IN THE PARTNERSHIP, THE CONSEQUENCES OF THE RECEIPT OF UBTI TO SUCH ENTITY AND THE APPLICABILITY OF ANY UBTI EXCEPTIONS TO SUCH ENTITY.

Partnership Tax Returns and Audits

Although the Partnership is not generally, except as described below, required to pay U.S. federal income tax, it will be required to file U.S. federal income tax information returns and will provide all Partners with Schedules K-1 setting forth the U.S. federal income tax information necessary for them to file their individual tax returns. The tax treatment of Partnership-related items is determined at the Partnership level rather than at the Limited Partner level. Under the Partnership Agreement, the General Partner has the authority to make all tax-related elections for the Partnership and each Partner is required to treat Partnership items on such Partner's return consistently with the treatment given such items by the Partnership, as reflected on Schedules K-1. Thus, as a practical matter, a Partner will not be able to complete and file its U.S. federal income tax return for any year until it receives a Schedule K-1 from the Partnership for that year. Partners should be prepared to obtain extensions of the filing date for their income tax returns at the federal, state and local level.

The General Partner has been appointed as "partnership representative" (as described below), with the authority to determine the Partnership's response to an audit. The limitations period for assessment of deficiencies and claims for refunds with respect to items related to the Partnership is generally three years after the Partnership's return for the taxable year in question is filed, and the General Partner has the authority to, and may, extend such period with respect to all Limited Partners. The partnership representative is treated by the IRS as a partnership's primary representative and has the power to bind the partnership and its partners in certain circumstances. While the partnership representative intends, to the extent feasible, to keep each partner informed of all administrative and judicial partnership proceedings, as a practical matter, the General Partner, as partnership representative, will exercise substantial control over the conduct and outcome of any audit proceeding involving the Partnership. The Partnership will bear the expenses of any such audit proceeding, including any judicial proceeding. These expenses could be substantial, regardless of the outcome of the proceeding. There can be no assurance that the Partnership's or a Limited Partner's tax return will not be audited by the IRS or that no adjustments to such returns will be made as a result of such an audit.

The Revised Partnership Audit Rules generally will require underpayments of tax to be determined and paid at the partnership level following any adjustment to the partnership's items of income, gain, loss, deduction or credit. The amount of any underpayment will generally be computed based on the highest tax rate applicable to an individual, corporation, trust or estate, but a partnership may claim a reduction in the amount of the underpayment based on amended returns of partners who opt to file, the types of income adjusted (e.g., capital gains and qualifying dividend income) and the tax rates applicable to specific partners (e.g., individuals, corporations, tax-exempt organizations). In general, any such underpayment will be an expense of the partnership in the year it is paid or accrues (not the reviewed year to which the

adjustment relates) and any payments made by the partnership will be nondeductible. Subject to rules and procedures to be promulgated by the IRS, a partnership will be permitted to elect to have a partnership adjustment taken into account by the persons who were partners in the year to which the adjustment relates by providing a list of all such partners and identifying each such partner's share of the adjustment. If the election is made, each partner will be required to take into account such adjustment at the partner level and will also be required to pay any interest and penalties. A partnership's designated "partnership representative" will have broad authority to resolve a partnership audit and any such resolution will be binding on all partners. Under the Revised Partnership Audit Rules, partners have no statutory right to notice nor to participate in the audit proceeding.

The Partnership will bear any legal and accounting costs incurred in connection with an audit of its tax returns in the years in which the Partnership incurs them under the Revised Partnership Audit Rules. Absent special allocations, persons who are Partners in such years will bear those costs in proportion to their current percentage interests.

Backup Withholding

The Partnership is required in certain circumstances to backup withhold on certain payments paid to non-corporate Limited Partners who do not furnish the Partnership with their correct taxpayer identification numbers (in the case of individuals, their social security numbers) and certain certifications, or who are otherwise subject to backup withholding. Backup withholding is not an additional tax. Any amounts withheld from payments made to a Limited Partner may be refunded or credited against such Limited Partner's federal income tax liability, if any, provided that the required information is furnished to the IRS.

State, Local and Other Taxes

In addition to the federal income tax consequences described above, the Partnership and the Limited Partners may be subject to other taxes such as state, local or municipal income taxes, and estate, inheritance or intangible property taxes. Certain of such taxes could, if applicable, have a significant effect on the amount of tax payable in respect of an investment in the Partnership.

The Partnership, or any entity in which the Partnership invests that is treated as a partnership or a disregarded entity for tax purposes, may be doing business in various states that may require each partner of the Partnership, or such subsidiary entity, to file an income tax return. Where a state income tax return is required, each Partner of the Partnership may be required to file an income tax return in such state with respect to the Partner's allocable share of the Partnership's income attributable to such state. Any such state income tax return required to be filed by a Partner will be the responsibility of such Partner. Because the Partnership may do business in various states, or may invest in entities treated as partnerships or disregarded entities for tax purposes that do business in various states, it is possible that a particular Partner will be required to file income tax returns in a number of states and may be required to submit notices of non-residency to the Partnership as a result of such Partner's investment in the Partnership.

The Partnership may be permitted or required to file a composite, combined, group, block or similar tax return and to make tax payments in one or more states on behalf of each eligible non-resident Partner. As a convenience to Partners, the Partnership may, in its sole discretion, make composite state tax filings and payments when feasible and offer each eligible Partner the opportunity to join in such returns to the extent permitted by state law. Other states may require withholding from the distributive shares attributable to the Partners. Any state taxes (including estimated taxes) paid by the Partnership on behalf of a Partner as withholding, on a composite return, or otherwise will be treated as having been distributed to such Partner.

Each Partner is urged to consult its own tax advisers with respect to whether state taxes imposed on such Partner, or state withholding taxes to which such Partner is subject, will be creditable against the taxes imposed on such Partner in other states.

PROSPECTIVE LIMITED PARTNERS MUST CONSULT THEIR OWN ADVISERS REGARDING THE POSSIBLE APPLICABILITY OF STATE, LOCAL OR MUNICIPAL TAXES (AND CORRESPONDING FILING REQUIREMENTS) TO AN INVESTMENT IN THE PARTNERSHIP.

INVESTMENTS BY EMPLOYEE BENEFIT PLANS

General

The following section sets forth certain consequences under ERISA and the Code, which a fiduciary of an "employee benefit plan" as defined in, and subject to the fiduciary responsibility provisions of, Title I of ERISA or of a "plan" as defined in and subject to Section 4975 of the Code who has investment discretion should consider before deciding to invest the plan's assets in the Partnership (such "employee benefit plans" and "plans" being referred to herein as "Plans," and such fiduciaries with investment discretion being referred to herein as "*Plan Fiduciaries*"). The following summary is not intended to be complete, but only to address certain questions under ERISA and the Code which are likely to be raised by the Plan Fiduciary's own counsel.

In general, the terms "employee benefit plan" as defined in Title I of ERISA and "plan" as defined in Section 4975 of the Code together refer to any plan or account of various types which provides retirement benefits or welfare benefits to an individual or to an employer's employees and their beneficiaries. Such plans and accounts include, but are not limited to, corporate pension and profit-sharing plans, "simplified employee pension plans," Keogh plans for self-employed individuals (including partners), individual retirement accounts described in Section 408 of the Code and medical benefit plans.

Each Plan Fiduciary must give appropriate consideration to the facts and circumstances that are relevant to an investment in the Partnership, including the role an investment in the Partnership plays in the Plan's investment portfolio. Each Plan Fiduciary, before deciding to invest in the Partnership, must be satisfied that investment in the Partnership is a prudent investment for the Plan, that the investments of the Plan, including the investment in the Partnership, are diversified so as to minimize the risks of large losses and that an investment in the Partnership complies with the documents of the Plan and related trust.

EACH PLAN FIDUCIARY CONSIDERING ACQUIRING UNITS MUST CONSULT ITS OWN LEGAL AND TAX ADVISERS BEFORE DOING SO.

Restrictions on Investments by Benefit Plans

ERISA and a regulation issued thereunder contain rules for determining when an investment by a Plan in a limited partnership will result in the underlying assets of the partnership being assets of the Plan for purposes of ERISA and Section 4975 of the Code (*i.e.*, "plan assets"). Those rules provide that assets of an entity will not be plan assets of a Plan which purchases an interest therein if the investment by all "benefit plan investors" is not "significant" or certain other exceptions apply. The term "benefit plan investors" includes all Plans (*i.e.*, all "employee benefit plans" as defined in, and subject to the fiduciary responsibility provisions of, Title I of ERISA and all "plans" as defined in and subject to Section 4975 of the Code), and all entities that hold "plan assets" (each a "*Plan Assets Entity*") due to investments made in such entities by already described benefit plan investors. ERISA provides that a Plan Assets Entity is considered to hold plan assets only to the extent of the percentage of the Plan Assets Entity's equity interests held by benefit plan investors. In addition, all or a portion of an investment

made by an insurance company using assets from its general account may be treated as a benefit plan investor. Investments by benefit plan investors will be deemed not significant if benefit plan investors own, in the aggregate, less than 25% of the total value of each class of equity interests of the entity (determined by not including the investments of persons with discretionary authority or control over the assets of such entity, of any person who provides investment advice for a fee (direct or indirect) with respect to such assets, and "affiliates" (as defined in the regulations issued under ERISA) of such persons; provided, however that under no circumstances are benefit plan investors excluded from such calculation).

In order to avoid causing assets of the Partnership to be "plan assets," the General Partner shall use its reasonable best efforts to restrict the aggregate investment by benefit plan investors to under 25% of the total value of each class of equity interests of the Partnership (not including the investments of the General Partner, any person who provides investment advice for a fee (direct or indirect) with respect to the assets of the Partnership, and any entity (other than a benefit plan investor) that is directly or indirectly through one or more intermediaries controlling, controlled by or under common control with any of such entities (including a partnership or other entity for which the General Partner is the general partner, investment adviser or provides investment advice), and each of the principals, officers and employees of any of the foregoing entities who has the power to exercise a controlling influence over the management or policies of such entity or of the Partnership). Furthermore, because the 25% test is ongoing, it not only restricts additional investments by benefit plan investors, but also can cause the General Partner to require that existing benefit plan investors withdraw from the Partnership in the event that other investors withdraw. If rejection of subscriptions or such mandatory withdrawals are necessary, as determined by the General Partner, to avoid causing the assets of the Partnership to be "plan assets," the General Partner will not require any Benefit Plan Investor to withdraw any portion of its interest in the Partnership greater than its pro-rata portion of any Excess Units held by Benefit Plan Investors. For purposes of this paragraph, the term "*Excess Units*" shall mean such portion of the aggregate Units in the Partnership held by Limited Partners that are Benefit Plan Investors which exceeds the maximum percentage of Units that may be held by Benefit Plan Investors without causing equity participation in the Partnership by Benefit Plan Investors to become "significant" within the meaning of ERISA.

Ineligible Purchasers

In general, Units may not be purchased with the assets of a Plan if the General Partner, or any of its respective affiliates or any of its respective agents or employees or, to the Plan Fiduciary's knowledge, any placement agent or any of its affiliates, agents or employees either: (i) has investment discretion with respect to the investment of such plan assets; (ii) has authority or responsibility to give or regularly gives investment advice with respect to such plan assets, for a fee, and pursuant to an agreement or understanding that such advice will serve as a primary basis for investment decisions with respect to such plan assets and that such advice will be based on the particular investment needs of the Plan; or (iii) is an employer maintaining or contributing to such Plan. A party that is described in clause (i) or (ii) of the preceding sentence is a fiduciary under ERISA and the Code with respect to the Plan, and any such purchase might result in a "prohibited transaction" under ERISA and the Code.

The foregoing statements regarding the consequences under ERISA and the Code of an investment in the Partnership are based on the provisions of the Code and ERISA as currently in effect, and the existing administrative and judicial interpretations thereunder. No assurance can be given that administrative, judicial, or legislative changes will not occur that may make the foregoing statements incorrect or incomplete.

ACCEPTANCE OF SUBSCRIPTIONS ON BEHALF OF PLANS IS IN NO RESPECT A REPRESENTATION BY THE GENERAL PARTNER OR ANY OTHER PARTY RELATED TO THE PARTNERSHIP THAT THIS INVESTMENT MEETS THE RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY ANY PARTICULAR PLAN OR THAT THIS INVESTMENT IS APPROPRIATE FOR ANY PARTICULAR PLAN. THE PERSON WITH INVESTMENT DISCRETION SHOULD CONSULT WITH SUCH PERSON'S ATTORNEY AND FINANCIAL ADVISERS AS TO THE PROPRIETY OF AN INVESTMENT IN THE PARTNERSHIP IN LIGHT OF THE CIRCUMSTANCES OF THE PARTICULAR PLAN.

Representations by Benefit Plan Investors

Each Limited Partner that is or would be a benefit plan investor if it is admitted to the Partnership is required to notify the General Partner prior to such date, and each Limited Partner that, at any time while it remains a Limited Partner, becomes a benefit plan investor is required to promptly so notify the General Partner. Each such Limited Partner, so long as it is a benefit plan investor, shall be referred to herein as a "*Benefit Plan Investor*."

Private Foundations, Endowment Funds and other Tax-Exempt Organizations

Any potential investor that is tax-exempt under Section 501(c)(3) of the Code should carefully review the section of this Memorandum entitled "CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS – Tax-Related Concerns of Exempt Organizations" and consult its tax adviser with regard to the fact that a purchase of Units might give rise to "unrelated business taxable income." In addition, private foundations and their managers are subject to a number of special excise taxes under Sections 4940 through 4944 of the Code, including taxes on imprudent investments, on net investment income, on the failure to make minimum annual distributions or payments for exempt purposes, on excess business holdings, and certain "self dealing" transactions. ANY PRIVATE FOUNDATION CONTEMPLATING AN INVESTMENT IN THE PARTNERSHIP SHOULD CONSULT WITH ITS OWN TAX ADVISERS REGARDING THE POTENTIAL APPLICATION OF THESE EXCISE TAXES TO AN INVESTMENT.

Under certain state statutes, the acquisition of Units by an endowment fund or other charity is not legally permissible. Investment managers of endowment funds should thus consult with their legal counsel as to whether the acquisition of Units is appropriate. It should be noted, however, that the Uniform Management of Institutional Funds Act (adopted in various forms by a large number of states) allows participation in investment partnerships or similar organizations in which funds are commingled even though investment determinations are made by persons other than the governing advisory committee of the endowment fund.

A Limited Partner that is a "private foundation" as described in Section 509 of the Code may elect to withdraw from or reduce its Units, or upon demand by the General Partner will withdraw from or reduce its Units, if either such Limited Partner or the General Partner obtains an opinion of counsel (which counsel and opinion shall be reasonably acceptable to both parties) to the effect that such withdrawal or reduction of Units (in the amount stated in the opinion) is necessary in order for such Limited Partner to avoid (a) excise taxes imposed by Subchapter A of Chapter 42 of the Code (other than Sections 4940 and 4942 thereof), (b) a material violation of, or a material breach of the fiduciary duties of its trustees under, any federal or state law specifically applicable to private foundations or any rule or regulation adopted thereunder by any agency, commission or authority having jurisdiction over such Limited Partner, or (c) a loss of such Limited Partner's federal income tax exemption as a result of its ownership of Units or indirect ownership of any of the Partnership's investments.

ACCEPTANCE BY THE GENERAL PARTNER OF SUBSCRIPTIONS ON BEHALF OF ANY ERISA PLAN OR OTHER TAX-EXEMPT ENTITY IS IN NO RESPECT A REPRESENTATION BY THE GENERAL PARTNER OR ANY OTHER PARTY THAT THIS INVESTMENT MEETS ALL RELEVANT LEGAL REQUIREMENTS WHICH APPLY TO INVESTMENTS BY ANY PARTICULAR ENTITY OR THAT THIS INVESTMENT IS APPROPRIATE FOR ANY PARTICULAR ENTITY. THE PERSON WITH INVESTMENT DISCRETION SHOULD CONSULT WITH ITS FINANCIAL AND LEGAL ADVISERS AS TO THE PROPRIETY OF AN INVESTMENT IN THE PARTNERSHIP IN LIGHT OF THE CIRCUMSTANCES OF THE PARTICULAR ENTITY.

CERTAIN REGULATORY MATTERS

Securities Act of 1933

Units have not been and will not be registered under the Securities Act. Units 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 Rule 506(c) of 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 acquiring its Units in the Partnership for its own account for investment purposes only and not with a view to resale or distribution, and will be required to provide documentation regarding its financial condition. Units may not be transferred or resold except as permitted under the Partnership 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 Partnership is not registered and does not expect to register as an investment company under the Company Act. If the Partnership were considered an "investment company" within the meaning of the 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 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 Company Act, there can be no assurance that the Partnership's eligibility for exclusion from regulation under the Company Act will not be challenged. Should an exclusion cease to be available, the Partnership and the General Partner could be subject to legal action by the Securities and Exchange Commission and others, possibly resulting in financial losses to the Partnership and the termination of the Partnership's business.

Although the General Partner believes registration and regulation under the Company Act would impair the Partnership's ability to achieve its investment objectives, the Company Act does provide protections that will not be available to investors in the Partnership. 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 General Partner) and in its capital structure. In addition, the 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.

The Partnership will use its reasonable best efforts not to invest in "securities" for purposes of the Company Act.

Investment Advisers Act of 1940

The Advisers Act subjects investment advisers to a variety of regulatory filing and recordkeeping requirements, as well as certain requirements and prohibitions as to substantive activities. The General Partner is not presently registered as an investment adviser under the Advisers Act or any state's laws, nor does it intend to register until it is required to do so. As a result, certain protections of the Advisers Act will not be afforded to the Partnership or its Limited Partners.

The Partnership will use its reasonable best efforts not to invest in "securities" for purposes of the Advisers Act.

Money Laundering Prevention

Federal regulations and executive orders administered by the U.S. Treasury Department's Office of Foreign Assets Control ("*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 Partnership, or the General Partner, each investor, as a condition to becoming a Limited Partner in the Partnership, will be required to represent, among other things that:

(i) it will provide any information deemed necessary by the General Partner in its sole discretion to comply with its or the Partnership'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 Units purchased 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 Partnership 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 General Partner 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 Partnership may adopt additional procedures and require additional information from investors as the anti-money laundering and anti-terrorist financing laws, rules and regulations are further clarified.

Privacy Notice

The Partnership believes that protecting the privacy of current and prospective investors and their personal information is of the utmost importance, and it is fully committed to maintaining the privacy of such information in its possession. A copy of ASI's privacy policy (the "Privacy Policy"), which applies to current and prospective investors in the Partnership, can be found by visiting ASI's website: https://www.alliantstrategic.com/. A full copy of the Privacy Policy will also be included in the Partnership's Subscription Agreement.

WHO MAY INVEST; PLAN OF OFFERING

Investor Eligibility

The minimum Capital Commitment that a Limited Partner may make is generally $50,000. The General Partner may, however, permit certain Limited Partners to make smaller Capital Commitments, in the General Partner's sole discretion.

Each investor must represent and warrant in his, her or its Subscription Agreement that, among other things, he, she or it has reviewed and understands the risks of an investment in the Partnership, has the financial knowledge and experience to evaluate such investment, is able to bear the substantial risks of an investment in the Partnership and is able to afford to lose his or her entire investment.

The Partnership will generally sell Units only to United States persons who are "accredited investors," within the meaning of Regulation D under the Securities Act. 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 General Partner may, in its sole and absolute discretion, agree to waive the U.S. person requirement and reserves the right to reject any subscription, in whole or in part. Additional subscription requirements for investors are set forth in the Subscription Agreement. The General Partner may, in its sole and absolute discretion, agree to waive any of these requirements and reserves the right to reject any subscription, in whole or in part.

A POTENTIAL INVESTOR SHOULD CONSULT SUCH INVESTOR'S OWN TAX AND FINANCIAL ADVISERS WITH RESPECT TO SUCH INVESTOR'S INDIVIDUAL CIRCUMSTANCES AND THE SUITABILITY OF AN INVESTMENT IN THE PARTNERSHIP.

Subscription Procedures

In order to purchase Units, an investor must date, complete and execute the Partnership's Subscription Agreement (the "*Subscription Agreement*"), and deliver his, her or its completed and executed Subscription Agreement, along with all supporting documents, to the Partnership as specified in the Subscription Agreement.

Subscription Agreements received by the General Partner will be irrevocable by the subscriber. The General Partner may, however, reject any subscription, in whole or in part, in the General Partner's sole and absolute discretion. If the General Partner rejects any subscription, it will notify the subscriber of that rejection as soon as practicable.

If the General Partner accepts a prospective investor's subscription, the investor will be admitted to the Partnership as a Limited Partner, and will then become irrevocably committed to invest and make its Capital Contributions as called in accordance with the Partnership Agreement.

Offering

The Units will be offered and sold on a "best efforts" basis through the General Partner and its officers, directors and employees, the Broker and the Selling Group.

Under the agreement with the Broker, the General Partner or an affiliate thereof will pay the Broker an aggregate fee of 1% of all Capital Commitments in the Offering (the "*Placement Fee*"). This Placement Fee is not applicable to Capital Commitments of the General Partner or its Affiliates. This Placement Fee will be paid separately by the General Partner or an affiliate thereof, and will not be borne by the Partnership or any Limited Partner. In addition to the Placement Fee, the General Partner has agreed to grant to CGC or its designee(s) an economic interest in the General Partner which will generally entitle CGC or its designee(s) to 25% of the Carried Interest, Management Fee and other income of the General Partner, subject to certain terms and conditions set forth in the agreement between CGC and the General Partner.

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

LEGAL AND ACCOUNTING MATTERS

Holland & Knight LLP ("*Counsel*") served as legal counsel to an affiliate of the General Partner in the preparation of this Memorandum. Counsel may continue to serve in such capacity in the future, but has not assumed any obligation to update this Memorandum. Counsel may continue to advise the General Partner affiliate on an ongoing basis. Counsel does not represent and has not represented the prospective investors in the course of the organization of the Partnership, the negotiation of its business terms, the offering of the Units 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 Partnership relating to themselves and the Units have not been negotiated at arm's length.*

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

Counsel may advise the General Partner affiliate in matters relating to the operation of the Partnership on an ongoing basis. Counsel may also serve as counsel to the Partnership from time to time. Investors in the Partnership, by becoming Limited Partners, are acknowledging and consenting to such representations. Should a future dispute arise between the Partnership and General Partner, the Partnership will retain separate counsel.

CohnReznick LLP will serve as the auditor to the Partnership.

INVESTOR INFORMATION

Reports; Audits; Tax Information

Within 60 days after the close of each fiscal quarter (or as soon as reasonably practicable thereafter), the General Partner shall transmit to the Limited Partners a progress report on each Investment Property of the Partnership and a statement of such Limited Partner's capital account. Limited Partners should be aware that the balance in each Limited Partner's Capital Account listed in any report will generally *not* reflect any "write-up" or "write-down" in the fair value of the Partnership's assets, as the General Partner expects that the determination of those fair values will be: (i) expensive; and (ii) inherently unreliable as indicators of the actual proceeds that the Partnership will receive upon disposition of those assets — and, accordingly, are unlikely to be indicative of the status of the Partnership's investment program.

The General Partner will transmit to the Limited Partners within 120 days after the close of each fiscal year (or as soon thereafter as reasonably practicable) financial statements of the Partnership prepared in accordance with U.S. generally accepted accounting principles and audited by an independent third party auditor selected by the General Partner. The General Partner will also provide to the Limited Partners, for each of the first three fiscal quarters, unaudited financial statements for the Partnership within 60 days after the close of each such fiscal quarter (or as soon as reasonably practicable thereafter). All statements provided to the Limited Partners will be at the Partnership's expense.

For each fiscal year during which the Partnership holds an interest in any Investment Property, the General Partner shall additionally transmit to the Limited Partners within one hundred twenty (120) days after the close of each fiscal year (or as soon thereafter as reasonably practicable) an annual impact report summarizing certain community and social impacts of the Partnership's investments during such period, which may, but is not required to, include the following types of information: (i) number of units of affordable housing preserved and/or created; (ii) average resident income relative to Area Median Income (AMI); (iii) percentage of units held by, and/or percentage of census tract population comprised of, minority populations; (iv) sustainability initiatives and impacts related to Investment Properties, such as water or energy savings; and/or (v) services and conservation and other improvements provided for residents and Investment Properties.

The General Partner shall cause the Partnership's tax return and IRS Form 1065, Schedule K-1, to be prepared and filed on a timely basis and shall prepare and mail to each Partner such Partner's Schedule K-1 as promptly as practicable after the close of the Partnership's fiscal year (or as soon thereafter as reasonably practicable, which may be after April 15). The Partnership shall upon the request of any Limited Partner furnish to such Limited Partner any information reasonably available to the Partnership that such Limited Partner may require or reasonably request in order to withhold tax or to file tax returns and reports or to furnish tax information to any of its partners; provided, such Limited Partner agrees to pay any additional expenses incurred by the Partnership or the General Partner to provide such additional information.

Limited Partners should be aware that these reports prepared by the Partnership will generally *not* disclose information that the General Partner regards as confidential and proprietary.

Electronic Delivery of Documents

The Partnership may deliver its financial statements and investor correspondence, supplements to this Memorandum, revised Partnership governing documents, offers to deliver annual privacy notices and other investor notices and materials by e-mail to the address in the Partnership's records. When delivering documents by e-mail, the Partnership will generally distribute them as attachments to e-mails in Adobe's Portable Document Format ("*PDF*"). (The Adobe Acrobat Reader software is available free of charge from Adobe's website at www.adobe.com. The Reader software must correctly be installed on the investor's system before one will be able to view documents in PDF format.) By making a Capital Commitment, each Limited Partner 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 General Partner affirmatively in writing.

Amendments to the Partnership Agreement

The Partnership Agreement may be amended in accordance with the procedures specified therein. The General Partner agrees to promptly provide all Limited Partners with true and correct copies of all amendments to the Partnership Agreement which are adopted by the Partnership.

Deemed Consent of the Limited Partners

If the General Partner solicits a consent or vote from the Limited Partners, each Limited Partner that fails to respond to a request from the General Partner for such consent or vote within twenty (20) days after notice of such request is given shall be deemed to have given the consent or vote requested by the General Partner.

ADDITIONAL INFORMATION

The above is intended as a summary only of certain salient features of the Partnership and its primary contractual arrangements. It is, in all respects, subject to the full text of the relevant documents. The offices of the Partnership and General Partner are located at 21600 Oxnard Street, Suite 1200, Woodland Hills, CA 91367 and will at all times be maintained in the United States. Copies of any relevant documents may be obtained from the Partnership upon written request to the General Partner.

Prior to their decision to invest, prospective investors and their purchaser representatives are invited to review any materials available to the General Partner relating to the Partnership, the operations of the Partnership, this offering, the experience and operating history of the principals and affiliates of the General Partner and any other matters relating to this offering. The General Partner will answer all inquiries from prospective investors and purchaser representatives relating thereto. All such materials will be made available at any mutually convenient location at any reasonable hour upon reasonable prior notice. The General Partner and its principals will afford prospective investors and purchaser representatives the opportunity to obtain any additional information necessary to verify the accuracy of any representations or information set forth in this Memorandum to the extent that the Partnership or the General Partner possesses such information or can acquire it without unreasonable effort or expense. Such review is limited only by the proprietary and confidential nature of the acquisition models and investment information, as determined by the General Partner, and by the confidentiality of personal information relating to investors.