CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

This Confidential Private Placement Memorandum constitutes an offering of these securities only in those jurisdictions where and to those persons to whom they may be lawfully sold. The securities offered hereby have not been approved or disapproved by the Securities and Exchange Commission or any state regulatory agency, nor has the Securities and Exchange Commission or any state regulatory agency passed upon the accuracy or adequacy of this Confidential Private Placement Memorandum. This Confidential Private Placement Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement for a public offering of the securities referred to herein.

Riverbend Investments 11235 LLC

A Private Offering of Class B Units of Limited Liability Company Interest

Minimum Investment:
$100,000

Riverbend Investments 11235 LLC (the "**Fund**") is a limited liability company organized under the laws of the state of Delaware. The Manager of the Fund is Riverbend Management 11235 LLC, a Delaware limited liability company (the "**Manager**"). Class B Units of limited liability company interest in the Fund (the "**Class B Units**") will be offered only to select investors who are able to verify to the Manager's satisfaction that they are "accredited investors" as defined under Regulation D of the Securities Act of 1933, as amended. The Class B Units will be offered and sold (this "**Offering**") under the exemption provided by Section 4(a)(2) of the 1933 Act and Rule 506(c) of Regulation D promulgated thereunder and other exemptions of similar import in the laws of the states where this Offering will be made. This Offering is not being made to the public. The minimum investment per investor is $100,000.

The Fund has been formed for the sole purpose of investing in the Riverbend Apartments, a multifamily residential property complex located at 8850 Riverbend Parkway, Indianapolis, Indiana 46250 (the "**Property**"), through a series of intermediary entities as summarized herein. This Confidential Private Placement Memorandum is being furnished by the Manager solely for use by prospective investors in evaluating this Offering and the Fund. The Manager will not receive any commissions or fees for the sale of interests in the Fund to investors.

Investment in the Fund involves a high degree of risk. See the risk factors identified beginning on page 34 and throughout this Confidential Private Placement Memorandum.

July 22, 2020

NOTICE TO INVESTORS

The terms and conditions of this Offering; the rights, preferences, privileges and restrictions of units of limited liability company interest in the Fund; and the rights and responsibilities of the Fund, the Manager, and the Members will be governed by the Fund's Limited Liability Company Agreement and the Subscription Agreement between each Member and the Fund, which are summarized herein, attached hereto, and incorporated herein by this reference. The description and summaries of any of such matters in the text of this Confidential Private Placement Memorandum are subject to and qualified in their entirety by reference to such documents. As with any summary, some details and exceptions have been omitted. Each prospective investor should consult the actual documents for a complete understanding of their contents. This Confidential Private Placement Memorandum should be reviewed carefully by each prospective investor's fiduciary or legal, accounting and tax advisers before making any decision concerning an investment in the Fund.

This Confidential Private Placement Memorandum is for the confidential use of only those persons to whom it is transmitted in connection with this Offering. By their acceptance of this Confidential Private Placement Memorandum, recipients agree that they will not transmit, reproduce or make available to any person, other than their professional advisers, this Confidential Private Placement Memorandum or any of the information contained herein. The recipient, by accepting delivery of this Confidential Private Placement Memorandum, agrees to return it and all related documents to the Manager if the recipient does not subscribe for an investment in the Fund. All the information in this Confidential Private Placement Memorandum is non-public, confidential and proprietary in nature.

No person has been authorized to give any information or to make any representations about the Fund that are not contained in this Confidential Private Placement Memorandum. Any such information or representation that is so given or received must not be relied upon by any investor. Neither delivery of this Confidential Private Placement Memorandum nor any sale made hereunder, under any circumstances, creates any implication that the information contained herein is correct as of any time subsequent to the date hereof.

This Confidential Private Placement Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, units of limited liability company interest in the Fund in any state or other jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation. Neither the delivery of this Confidential Private Placement Memorandum nor any sale made pursuant to this Offering shall, under any circumstances, create an implication that there has not been any change in the facts

set forth in this Confidential Private Placement Memorandum or in the affairs of the Fund since the date of this Confidential Private Placement Memorandum.

The information contained herein has been prepared and is being furnished by the Fund for the use by potential investors in connection with the proposed offering of Class B Units of limited liability company interest in the Fund. The Fund has used its best efforts to obtain and provide accurate information for this Confidential Private Placement Memorandum, but no warranty is made with respect to the accuracy of such information.

In making an investment decision, investors must rely on their own examination of the Fund and the terms of this Offering, including the merits and risks involved. Prospective investors are not to construe the contents of this Confidential Private Placement Memorandum, or any prior or subsequent communication from the Fund or the Manager or their respective agents or employees, as legal, tax or investment advice. Each investor should consult his or her own legal counsel and other advisers as to all legal and other related matters concerning his or her investment.

The Fund has agreed to make available to each prospective investor and the prospective investor's representative(s), or both, the opportunity, prior to the consummation of a sale of interests to such prospective investor, to ask questions of, and receive answers from, the Manager and the Managing Members concerning the terms and conditions of this Offering and to obtain any additional information, to the extent they possess such information or can acquire it without unreasonable effort or expense, necessary to verify the accuracy and completeness of the information set forth herein. Inquiries should be directed to the Manager at the contact information set forth in this Confidential Private Placement Memorandum.

The Class B Units of limited liability company interest in the Fund offered hereby have not been registered under the Securities Act of 1933, as amended, or the securities laws of any states and are being offered pursuant to an exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended; Rule 506(c) thereunder; and applicable state securities laws. The Class B Units are available only to persons who are willing and able to bear the economic risks of this investment for an indefinite period. An investment in the Fund is speculative and may be considered to involve a high degree of risk. The Class B Units are being offered to only a limited number of sophisticated persons who meet certain qualification standards, including net worth or income, and who are able to bear a substantial loss of their capital contributions to the Fund. Each investor in the Class B Units must acquire them solely for such investor's own account, for investment and not with an intention of distribution, transfer or resale.

The Class B Units of limited liability company interest in the Fund offered hereby are subject to restriction on transferability and resale and may not be transferred or resold except as permitted under said act and such laws pursuant to registration or exemption therefrom. The sale of the Class B Units has not been approved or disapproved by the Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed on or endorsed the merits of this Offering or the accuracy or adequacy of this Confidential Private Placement Memorandum. Any representation to the contrary is unlawful.

Certain information in this Confidential Private Placement Memorandum may constitute or contain forward-looking statements or information, which may be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" and "believe," or the negative thereof or similar variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth under "Risk Factors" and "Conflicts of Interest," actual events or results or the actual business performance of the Fund may differ materially from those reflected or contemplated in the forward-looking statements. All forward-looking statements and information in this Confidential Private Placement Memorandum are made as of the date hereof, based on information available to the Manager as of the date hereof. Any forward-looking information or statements contained in this Confidential Private Placement Memorandum should be considered with these risks and uncertainties in mind. Neither the Manager nor the Fund assumes any obligation to update any forward-looking statement or information contained in this Confidential Private Placement Memorandum.

In considering the performance information contained herein, prospective investors should bear in mind that there can be no assurance that the Fund will achieve projected results. Actual future conditions may require actions that differ from those contemplated at this time, and prospective investors are cautioned not to place undue reliance on these projections.

The Offering is only being made pursuant to this Confidential Private Placement Memorandum, the Fund's Limited Liability Company Agreement, and the Subscription Agreement between each Member and the Fund.

The delivery of this Confidential Private Placement Memorandum does not imply that the information contained herein is correct as of any time subsequent to the date of its issue. Unless specified otherwise, all statements made herein are made as of July 22, 2020.

Neither the Fund nor the Manager has any obligation to supplement or otherwise update the information in this Confidential Private Placement Memorandum after the date hereof.

NOTICE FOR FLORIDA INVESTORS ONLY

The Class B Units of limited liability company interest in the Fund offered hereby have not been registered with the Florida Division of Securities. If sales are made to five or more Florida purchasers, each sale is voidable by the purchaser within three days after the first tender of consideration is made by such purchaser to the Fund or an agent of the Fund, or within three days after availability of that privilege is communicated to such purchaser, whichever occurs later.

ADDITIONAL INFORMATION

All documents relevant to this Offering and any additional information (including information necessary to verify the accuracy of any information contained in this Confidential Private Placement Memorandum) that are reasonably available or that can be obtained without unreasonable expense will, subject to considerations of confidentiality, trade secrets, and proprietary information, be made available to any prospective investor or the prospective investor's authorized representatives upon request to the Manager. Please contact the Manager at mike@tempofunding.com for such information. Prospective investors or their authorized representatives may review these documents at any reasonable time or may request copies of them. Representatives of the Fund will be available to prospective investors and their authorized representatives to answer questions.

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SUMMARY OF THE OFFERING

The following is only a summary of certain information contained in this Confidential Private Placement Memorandum (this "**Private Placement Memorandum**"), the terms of the Fund's offering of Class B Units pursuant to this Private Placement Memorandum (this "**Offering**"), and the terms of the Fund's Limited Liability Company Agreement (the "**LLC Agreement**") and form of Subscription Agreement (the "**Subscription Agreement**"), and is qualified in its entirety by reference to the remainder of this Private Placement Memorandum and the provisions of the LLC Agreement and Subscription Agreement, copies of which are transmitted herewith and incorporated herein by this reference. Certain capitalized terms used but not defined in this Private Placement Memorandum shall have the meaning given to them in the LLC Agreement. In the event of any discrepancy between the terms of the LLC Agreement or Subscription Agreement as summarized in this Private Placement Memorandum and the actual provisions of the LLC Agreement or Subscription Agreement, the latter shall control and prevail. Prospective investors should read these documents carefully in their entirety and consult with their own advisers in order to understand fully the consequences of an investment in the Fund.

The Fund

Fund:	Riverbend Investments 11235 LLC (the "**Fund**") is a Delaware limited liability company formed on June 1, 2020.
Purpose:	The Fund was formed for the sole purpose of investing in the Riverbend Apartments, a multifamily residential property complex located at 8850 Riverbend Parkway, Indianapolis, Indiana 46250 (the "**Property**"), through a series of intermediary entities as summarized below.
LLC Agreement:	The Limited Liability Company Agreement of the Fund (the "**LLC Agreement**") governs the rights of the Manager and the Members.
Members:	The Fund will be owned by members (the "**Members**") with units of limited liability company interest (the "**Units**") in the Fund designated as either Class A Units (the "**Class A Units**") or Class B Units (the "**Class B Units**"). The holders of Class A Units (the "**Class A Members**") will be the Manager and its affiliates as summarized below. The holders of Class B Units (the "**Class B Members**") will be the qualified investors whose subscriptions to purchase Class B Units are accepted by the Manager.

The "**Ownership Interest**" of a Member is the Member's relative ownership interest in the Fund equal to a number, expressed as a percentage, determined by dividing the Units held by such Member by the aggregate Units held by all Members as of the date of calculation (or of all Members of that class, as the context may require).

Manager: The Manager of the Fund is Riverbend Management 11235 LLC, a Delaware limited liability company (the "**Manager**"). The Manager is owned 80% by TF Management Group LLC, a Delaware limited liability company ("**TFMG**"), and 20% by Cresting Management LLC, a Florida limited liability company ("**Cresting Management**"). The principals of the Manager are Mikhail Zlotnik (on behalf of TFMG) and Ramon Gonzalez (on behalf of Cresting Management).

The LLC Agreement gives the Manager broad authority to manage the Fund and make all decisions with respect to the Fund. Under the terms of the LLC Agreement, the Manager also determines the amount of distributable cash available for distribution by the Fund to the Members.

As provided in the LLC Agreement, the Manager may only be removed as the manager of the Fund for cause and upon written notice of removal for cause from the Member or Members holding an aggregate Ownership Interest of no less than 75%. In the event the Manager resigns or is removed as the manager of the Fund, the Member or Members holding an aggregate Ownership Interest of no less than 75% may appoint a replacement manager.

No Control; Relationship; Disclaimer: The Fund is, and shall at all times be, merely an investor in the LP (as defined below). The Fund shall have no control over the LP, its investment, or any operations of the LP or any of the intermediary entities. Neither the Fund nor the LP will have any control over the improvement, leasing, management, or disposition of the Property.

This Offering (as defined below) does not constitute a direct or indirect offering of interests in the LP or any of the intermediary entities. Each Member will only be an investor in the Fund and will not (i) be a member in the LP, (ii) own a direct interest in the LP, or (iii) have any voting rights in the LP.

Each investor, by purchasing Class B Units, will agree and acknowledge that it will not have any direct right to assert any claims against the LP or any of the intermediary entities, or any of their respective officers, partners, managers, directors, employees, or agents ("**LP Affiliates**"), for or in respect of any

matters relating to the Fund, the LP, any of the intermediary entities, or any of the LP Affiliates, including without limitation, the purchase of Class B Units, any investment by the Fund in the LP, or the performance, activities, or actions of the LP or any of the intermediary entities as they relate to, impact, or affect, directly or indirectly, the Fund's acquisition, ownership, and disposition of the LP Interest (as defined below) and the Fund's status as a member in the LP or any related matter. In addition, none of the LP Affiliates has reviewed this summary and therefore makes no warranties or representations as to the accuracy or completeness of this summary or compliance of this Offering with applicable rules and regulations.

Intermediary Entities

LP: The Fund's sole asset is a membership interest (the "**LP Interest**") in Pepper Riverbend Investors, LLC, an Ohio limited liability company (the "**LP**"). The other members of the LP are affiliates of Pepper Pike Capital Partners. The LP is managed by Pepper Pike Acquisition Associates, LLC, an Ohio limited liability company and affiliate of Pepper Pike Capital Partners (the "**LP Manager**"). The Operating Agreement of the LP (the "**LP Operating Agreement**") governs the rights of the Fund and the other members of the LP and the LP Manager.

Intermediary Entities: The LP holds an interest in the Property indirectly through a series of intermediary entities. The chart on page 20 of this Private Placement Memorandum shows the organization of the Fund, the LP, and the intermediary entities between the LP and the Property. The chart also shows the approximate ownership percentages of the LP and the intermediary entities, as well as the Fund assuming that this Offering is fully subscribed and projecting the investments made or to be made in the Fund by the Manager and its affiliates.

Operating Agreements: Each of the intermediary entities is governed by its respective Operating Agreement (together with the LLC Agreement and the LP Operating Agreement, the "**Operating Agreements**").

Although certain terms of the Operating Agreements are summarized in this Private Placement Memorandum (see the "Intermediary Entities" discussion on page 18 of this Private Placement Memorandum), the actual provisions of the Operating Agreements shall prevail and control. A copy of the LLC Agreement is included with this Private Placement Memorandum

and copies of the other Operating Agreements are available upon request to the Manager.

The Fund Offering Terms

Class B Units: The Fund is accepting subscriptions for Class B Units.

Size of Offering: The Fund is offering up to $2,500,000 million of Class B Units (this "**Offering**") at a price of $1.00 per Class B Unit, provided that the Manager may decrease the size of this Offering for any reason at any time.

Use of Proceeds: The proceeds of this Offering will be used as follows:

- 10% of the proceeds will be used to compensate the Manager in putting the deal together and to pay or reimburse the Fund, the Manager, or their affiliates for Fund Expenses, including, without limitation, approximately $50,000 in fees, costs, and expenses incurred in connection with forming the Fund and the Manager, acquiring the LP Interest, preparing the Offering documents and conducting this Offering, and related matters.
- The remaining proceeds will be paid by the Fund to Tempo Growth Fund LLC, a Delaware limited liability company and affiliate of TFMG ("**TGF**"), which will then be used by TGF as follows:
    - Up to $500,000 will be used by TGF to repay Peak Returns LLC, a Florida limited liability company and affiliate of Cresting Management ("**Peak Returns**"), the $500,000 in capital loaned by Peak Returns to TGF prior to this Offering to finance the Fund's acquisition of the LP Interest, plus interest thereon at a rate of 12% per annum plus 1 point from the date the Fund acquired the LP Interest to the date of repayment of the loan (the principal amount of such repayment, not to exceed $500,000, to be determined by Peak Returns in its sole discretion).
    - The remaining proceeds will be used to return to TGF a portion of the $3,000,000 in capital contributed by TGF to the Fund prior to this Offering to finance the Fund's acquisition of the LP Interest, plus interest thereon at a rate of 12% per annum plus 1 point from the date the Fund acquired the LP Interest to the date of such return.

Following this use of proceeds, the remaining principal amount of the capital loaned by Peak Returns to TGF will be converted into

a capital contribution by Peak Returns to the Fund and each of Peak Returns and TGF will be issued Class A Units at a purchase price of $1.00 per Class A Unit in consideration of their respective capital contributions that were not repaid or returned from the proceeds of this Offering as described above.

Closings:	The initial closing of this Offering (the "**Initial Closing**") may be held on any business day as determined by the Manager in its sole discretion. The Manager may hold subsequent closings of this Offering at any time prior to the one-year anniversary of the Initial Closing, as determined by the Manager in its sole discretion.
Closing Conditions:	To subscribe for Class B Units, an investor must (i) execute and deliver to the Manager a fully-completed, dated, and signed Subscription Agreement, (ii) execute and deliver to the Manager the signature page to the LLC Agreement, and (iii) make the investor's capital contribution in full by wire transfer in accordance with the instructions in the Subscription Agreement.
Investor Qualification:	This Offering will be conducted under Rule 506(c) of Regulation D as an offering exempt from registration under federal and state law. The Class B Units are only available for sale to investors who are an "accredited investor" as defined in Regulation D under the Securities Act. Prospective investors should review the Subscription Agreement to determine whether they qualify as an eligible investor in the Fund. To the extent applicable, the Fund will rely on the exemption from registration under the Investment Company Act of 1940, as amended (the "**Company Act**") by reason of Section 3(c)(1) of the Company Act (for issuers whose securities are not beneficially owned by more than 100 persons) and/or Section 3(c)(5)(C) of the Company Act (for issuers whose assets are invested primarily in real estate interests).
Manager's Investment Commitment:	In connection with the Initial Closing, the Manager or certain of its affiliates will also invest in the Fund by making capital contributions to the Fund of at least $100,000 in the aggregate in in exchange for Class A Units at a purchase price of $1.00 per Class A Unit. The Manager may waive all or any portion of the compensation to be paid to it from the proceeds of this Offering as a deemed capital contribution to the Fund by the Manager or such affiliates. Each of TGF and Peak Returns (affiliates of the Manager) will be issued Class A Units in exchange for the remaining amounts of

their respective capital contributions to the Fund after repayment or return of a portion thereof from the proceeds of this Offering less accrued interest and conversion of the remaining principal amount Peak Returns' loan to TGF into a capital contribution to the Fund as described above.

Additionally, any affiliates of the Manager may also participate in this Offering on the same terms as the other investors.

Capital Contributions

Minimum Investment:	The minimum investment in Class B Units is $100,000, although the Manager reserves the right to accept investments of lesser amounts in its sole discretion. Subscriptions for Class B Units may be accepted or rejected in whole or in part in the Manager's sole discretion.
Initial Capital Contributions:	Each Member shall be required to make its initial capital contribution to the Fund in full as a condition precedent to the Member's admission to the Fund. Upon acceptance of an investor's subscription for Class B Units, the investor shall pay the total amount of subscription accepted by the Manager as a capital contribution to the Fund by wire transfer in accordance with the instructions in the Subscription Agreement.
Additional Capital Contributions:	No Member will be required to make any additional capital contributions to the Fund.
Member Loans:	If the Fund requires additional capital in excess of the initial capital contributions of the Members (for example, to pay Fund Expenses), in lieu of requiring the Members to make additional capital contributions to the Fund, the Manager may cause the Fund to borrow such capital either (i) from a commercial bank, lending institution, or other person or (ii) from the Manager, any Member, or any of their affiliates provided that the loan is on commercially reasonable terms and bears interest at a rate not to exceed 12% per annum. Any third-party loans must be without recourse to the Members unless otherwise agreed in writing by the Members.
No Withdrawal:	Except as specifically provided otherwise in the LLC Agreement, no Member may demand a return of the Member's capital contribution to the Fund or withdraw from the Fund. The Manager, by written notice to any Member, may suspend payment of any distribution or withdrawal proceeds to such Member if the Manager reasonably deems it necessary to do so to

comply with anti-money laundering laws and regulations applicable to the Fund, the Manager, the Members, or any of the Fund's service providers.

The Manager may require a Member to withdraw all or any part of the Member's capital contribution to the Fund if the Manager considers such withdrawal necessary to correct violations of law or applicable regulation, or to avoid a material adverse impact on the Fund, the Manager, or the other Member. In such event, the Manager shall give not less than five business days' written notice to the Member specifying the date of withdrawal. As soon as practicable thereafter, the withdrawing Member shall receive the balance of the value in such Member's Capital Account, subject to all appropriate adjustments pursuant to the provisions of the LLC Agreement.

Capital Accounts

The Fund will establish and maintain a capital account ("**Capital Account**") for each Member for the purposes of allocating the Fund's profits and losses. The Capital Account of a Member shall be (A) increased by (i) the amount of all capital contributions by such Member to the Fund and (ii) any profits (or items of gross income) allocated to such Member, and (B) decreased by (i) the amount of any losses (or items of loss) allocated to such Member and (ii) the amount of any cash distributed to such Member. The Capital Account of the Member also shall be adjusted appropriately to reflect any other adjustment required pursuant to Treasury Regulations Section 1.704-1 or 1.704-2.

Allocations:

The Fund's items of income, gain, loss, or credit actually recognized by the Fund for income tax purposes for each fiscal year will generally be allocated for income tax purposes among the Members in a manner intended to be consistent with the distribution of cash to the Members to the extent reasonably possible. It is possible that a Member will be allocated taxable income for a particular year even though the Member does not receive any distribution to pay the resulting income tax liability.

The Manager expects the allocation provisions in the LLC Agreement will have a "substantial economic effect" within the meaning of the Regulations under Section 704 of the Code. Accordingly, the Manager expects the allocation provisions in the LLC Agreement will be respected by the United States Internal Revenue Service.

PROSPECTIVE INVESTORS ARE URGED TO CONSULT, AND MUST DEPEND UPON, THEIR OWN TAX ADVISORS TO

EVALUATE THE TAX CONSEQUENCES OF AN INVESTMENT IN THE FUND.

Distributions

Distribution Policy:	The Fund will distribute to the Members any cash received by the Fund as distributions from the LP, less any amounts needed to pay or establish reserves for Fund Expenses or other expenses or liabilities of the Fund as determined by the Manager in its sole discretion, on a quarterly basis as soon as practicable following the end of each calendar quarter.
Interim Distributions:	All distributions other than liquidating distributions will be made to the Members as follows: Ordinary Operations: With respect to distributions of cash received by the Fund from the ordinary operations of the Property (e.g., rent income), such distributions shall be made to the Members on a pro rata basis according to their respective Ownership Interests, except that with respect to the Class B Members, 80% of their portion shall be distributed to them and the remaining 20% shall be paid to the Manager. Capital Events: With respect to distributions of cash received by the Fund from capital events affecting the Property (e.g., sale or refinance of the Property), such distributions shall first be made to the Members on a pro rata basis according to their respective unreturned capital contributions until all of their capital contributions are returned to them, and then such distributions shall be made to the Members on a pro rata basis according to their respective Ownership Interests, except that with respect to the Class B Members, 80% of their portion shall be distributed to them and the remaining 20% shall be paid to the Manager.
Liquidating Distributions:	Distributions upon liquidation of the Fund will be made in accordance with the distribution provisions for Capital Events.
Return of Distributions:	Distributions made by the LP to its Members (including the Fund) may be subject to recall by the LP to discharge certain liabilities of the LP, and, in such event, the Fund will need to recall from the Members the amounts of the distributions being recalled by the LP that the Fund distributed to the Members. Additionally, the LLC Agreement provides that the Manager may recall distributions made by the Fund to the Members if the Manager determines that the Fund does not have sufficient cash to cover any other liabilities or obligations of the Fund. The Manager shall allocate the Members' obligations to return

distributions to the Fund among the Members on a pro rata basis according to their respective Ownership Interests during the applicable period or as otherwise determined by the Manager to be fair and equitable. The Manager may also withhold any future distributions to a Member until the Member has returned all amounts as required by the Manager.

Tax Distributions: To the extent there is available cash for distribution to the Members as determined by the Manager in its sole discretion, the Manager shall cause the Fund to distribute to the Members within 100 days after the end of each Fiscal Year sufficient cash to pay their respective tax obligations with respect to the taxable net income of the Fund allocated to them for such Fiscal Year. These tax distributions will be applied against the amounts that would otherwise be distributable to the Members.

Fees and Expenses

Management Fee: Commencing on the Initial Closing and continuing until the Fund has been wound-up and all proceeds have been paid out or distributed as provided in the LLC Agreement, the Fund will pay the Manager a management fee (the "**Management Fee**") equal to 1.5% per annum of all unreturned capital contributions. The Management Fee will be calculated, prorated, and paid at the end of each calendar month.

Fund Expenses: The following fees, costs, and expenses, whether paid by the Fund or paid by the Manager or an affiliate and reimbursed by the Fund will be included in the expenses that are borne and payable by the Fund prior to the determination of any cash available for distribution to the Members (the "**Fund Expenses**"):

- The Management Fee;
- All fees, costs, and expenses incurred by or on behalf of the Fund in connection with forming the Fund and the Manager, acquiring the LP Interest, preparing the Offering documents and conducting this Offering, and related matters (estimated to be about $50,000);
- All fees, costs, and expenses incurred by or on behalf of the Fund in marketing this Offering;
- All fees, costs, and expenses chargeable or passed through to the Fund by the LP that are not paid out of the Fund's capital contributions to the LP, if any, as may be provided for in the LP Operating Agreement;

- The fees and reasonable expenses incurred by the Partnership Representative;
- Any taxes, corporate maintenance, or qualification or filing or licensing fees, or federal or state "blue sky" securities filing fees incurred by or on behalf of the Fund, and any fees, costs, and expenses incurred by or on behalf of the Fund in connection with the preparation, reporting, and filing of foreign, federal, state, or local tax returns by the Fund;
- All costs, litigation and alternative dispute resolution expenses, and attorneys' fees incurred by or on behalf of the Fund in any claim or action in connection with the recovery, protection or preservation of property received or held by the Fund;
- All fees, costs and expenses incurred by or on behalf of the Fund in the dissolution and winding-up of the Fund;
- All fees, costs, and expenses of the Administrator; and
- All fees, costs, and expenses incurred by or on behalf of the Fund in connection with the obligations of the Fund to indemnify any Indemnitee under the terms of the LLC Agreement.

Pepper Pike Portion of Fund Expenses:	Pepper Pike Capital Partners has agreed to reimburse the Manager for $25,000 of the fees, costs, and expenses incurred by the Manager in connection with the Fund's acquisition of the LP Interest, which reimbursement will be used by the Manager to reduce the Fund Expenses.

Other Terms

Fund Term:	The Fund shall have a perpetual existence unless and until the occurrence of certain events, including, without limitation, the disposition of the Property and the dissolution of the LP and the distribution to the Members of all or substantially all of the assets to be received by the Fund from the LP, or the written election of the Manager and the Members holding an aggregate Ownership Interest of no less than 75%.
Transfers:	No Member will be able to sell, assign or transfer its Units in the Fund, in whole or in part, without the prior written consent of the Manager, which consent may be withheld in the Manager's sole discretion.

Capital Raising Activities:	The Manager may engage duly licensed placement agents, broker/dealers, third-party advertising services and marketers, and similar entities, including affiliates, to advertise this Offering, solicit for subscriptions for Class B Units, or raise capital for the Fund. The costs for such capital raising services will be a Fund Expense.
Conflicts of Interest:	The Manager may engage affiliates of the Manager to perform services for the Fund whenever the Manager reasonably concludes that those affiliates are at least as qualified as other qualified vendors providing similar services, and the Fund may pay those affiliates market-based fees, in amounts commensurate with fees that would be payable to unaffiliated entities for the same services. The affiliates of the Manager are engaged in a broad spectrum of real estate investment activities. In the ordinary course of their respective businesses, they may engage in activities in which their interests may conflict with the interests of the Fund and the Members. By acquiring Units, each Member will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and, to the fullest extent permitted by applicable law, to have waived any claims with respect to the existence of such conflicts of interest. Neither the Manager, the Members, any of their respective affiliates, nor any of their respective principals, partners, members, officers, employees, or agents will be prohibited from forming any real estate investment fund, engaging in any other business venture substantially similar to the Fund, or offering or participating in any parallel or side investment opportunities with the LP, any of the intermediary entities, or any of the LP Affiliates or relating to the Property that competes or may be deemed competitive with the Fund. In particular, the Manager and/or certain of its affiliates have entered into certain arrangements related to the Property, as described under the heading "Side Letters" on page 39 of this Private Placement Memorandum.
Risk Factors:	**PROSPECTIVE INVESTORS IN THE FUND SHOULD CAREFULLY REVIEW THE RISK FACTORS SET FORTH IN THIS PRIVATE PLACEMENT MEMORANDUM PRIOR TO INVESTING. ANY EVALUATION OF THE INVESTMENT IN THE FUND AND THE DECISION TO INVEST IN THE FUND SHOULD BE MADE UPON A COMPLETE AND THOROUGH REVIEW OF THE OFFERING**

DOCUMENTS, INCLUDING THIS PRIVATE PLACEMENT MEMORANDUM.

Reports and Financial Statements: The Manager will furnish to the Members (i) unaudited annual financial statements of the Fund within 180 days following the end of the Fund's fiscal year and (ii) unaudited quarterly financial reports of the Fund within 75 days following the end of each of the first three fiscal quarters of the Fund's fiscal year subject to timely receipt of such annual and quarterly financial reports from the LP. In addition, the Manager will distribute to the Members the LP's unaudited annual financial reports and quarterly financial reports within 15 calendar days following the Fund's receipt of such reports from the LP.

Administrator: The Fund intends to retain the services of Redwood Real Estate Administration, LLC (or other qualified fund administrator) as the Fund's administrator (the "**Fund Administrator**") to provide professional third-party fund administration services to the Fund, the cost of which shall be a Fund Expense.

Side Letters: The Manager, on its own behalf or on behalf of the Fund, may from time to time enter into letter agreements or other similar agreements ("**Side Letters**") with one or more Members. These Side Letters may entitle a Member to make an investment in the Fund on terms other than those summarized herein or described in this Private Placement Memorandum or the LLC Agreement or provide a Member with additional or different rights and benefits.

Tax Considerations: **THE SUMMARY BELOW IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT INTENDED AS A SUBSTITUTE FOR AN INDIVIDUAL ANALYSIS OF THE TAX CONSEQUENCES OF OWNERSHIP OF CLASS B UNITS. PROSPECTIVE INVESTORS ARE ADVISED TO CONSULT WITH THEIR OWN TAX ADVISERS REGARDING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF OWNERSHIP OF CLASS B UNITS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES. THE MANAGER ASSUMES NO RESPONSIBILITY FOR THE TAX CONSEQUENCES OF PURCHASE OR OWNERSHIP OF ANY CLASS B UNITS TO ANY MEMBERS.**

Federal Income Tax Treatment of the Fund as a Partnership: A limited liability company with more than one member is generally classified as a partnership for federal income tax purposes unless it elects to be classified as an association taxable as a corporation or is considered to be a publicly traded partnership. The Fund has no intention of electing to be classified

as an association taxable as a corporation for federal income tax purposes. Moreover, the Fund does not intend to participate in or allow any of the activities that would cause the Fund to be treated as a publicly traded partnership within the meaning of the Code and the Regulations (as such terms are defined in the LLC Agreement). Accordingly, the Manager believes that the Fund will be classified as a partnership for federal income tax purposes and that each Member in the Fund will be treated as a partner for federal income tax purposes.

Because it will be treated as a partnership for federal income tax purposes, the Fund will file annual income tax information returns but generally will not be subject as an entity to federal income tax liability. Instead, each Member will receive an IRS Form 1065, Schedule K-1, showing the Member's allocable share of the Fund's income, gain, loss, deduction and credit for each tax year. Each Member generally will be required to report, on the Member's separate income tax return, such Member's share of Fund income, gain, loss, deduction and credit, whether or not any cash or other property is distributed to such Member by the Fund. In the absence of cash distributions from the Fund, a Member may need to use funds from other sources to pay taxes with respect to Fund income or gain that is allocated to that Member. Similarly, each Member generally will be able to report its share of tax losses of the Fund, if any, for tax purposes, subject to certain limitations, even if the Member receives a cash distribution.

Members' Tax Basis in Class B Units:

Generally, the initial tax basis of a Member's Class B Units will equal the amount of money contributed to the Fund in exchange for those Class B Units, plus the Member's adjusted tax basis in any property contributed to the Fund, less liabilities of the Member that are assumed by the Fund, plus the Member's allocable share of the Fund's liabilities determined in accordance with the Regulations under Section 752 of the Code. A Member's tax basis in its Class B Units will be increased by the Member's allocable share of Fund taxable income and the amount of any additional capital contributions by the Member. A Member's tax basis in its Class B Units will be decreased (but not below zero) by the Member's allocable share of Fund tax losses and the amount of any distributions to the Member by the Fund. Subject to certain potentially applicable limitations, a Member may be able to deduct its allocable share of Fund tax losses, but only to the extent that such losses do not exceed the Member's adjusted tax basis in its Class B Units. Losses in excess of basis may be carried forward until the Member's adjusted tax basis in its Class B Units is increased above zero.

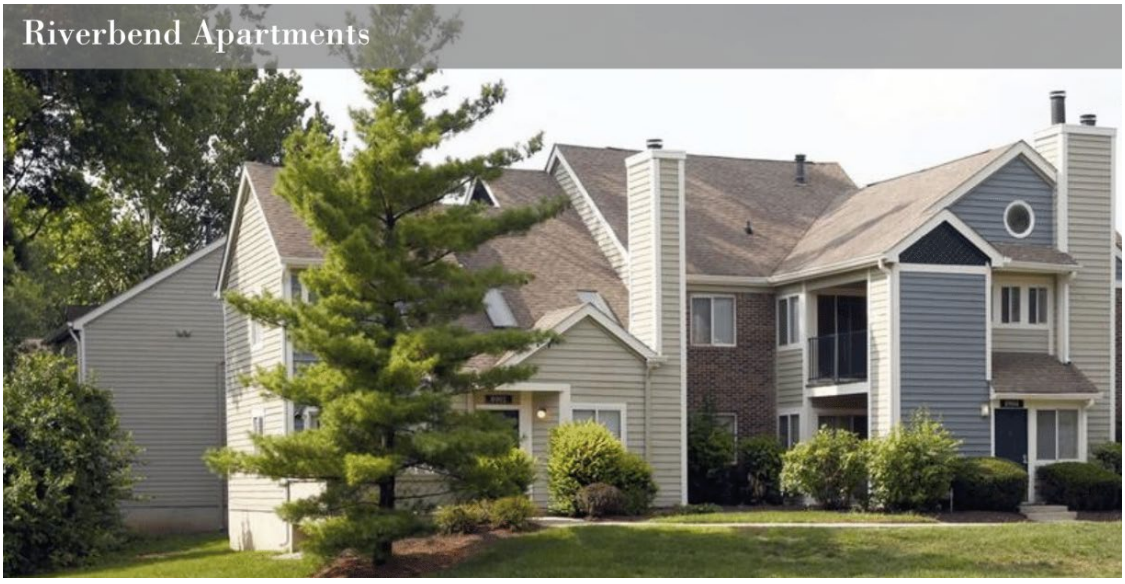
Fiscal Year End:	The fiscal year of the Fund is the period from January 1 to December 31 of each calendar year, except that the first fiscal year of the Fund shall be from inception of the Fund to December 31, 2020, and provided that the Manager may change the fiscal year end as it deems appropriate.
Exculpation and Indemnification:	Neither the Manager, the Partnership Representative, any of their respective affiliates, nor any of their respective principals, partners, members, officers, employees, or agents (each, an "**Indemnitee**") will be liable for, and each shall be indemnified and held harmless by the Fund to the fullest extent legally permissible from and against, any loss or cost arising out of, or in connection with, any act or activity undertaken (or omitted to be undertaken) in fulfillment of any obligation or responsibility under the LLC Agreement, including any such loss sustained by reason of any investment in Fund or the LP, except that no Indemnitee will be exculpated from, nor indemnified and held harmless from and against, any liability arising from losses caused by such Indemnitee's gross negligence, willful misconduct, or violation of applicable law.
Member Liability:	A Member will not be liable for the debts or obligations of the Fund except to the extent of its capital contributions in the Fund.
ERISA; Expulsion of ERISA Members:	The Manager intends to operate the Fund in such a manner that the assets of the Fund are not deemed to be "plan assets" for purposes of ERISA. The Manager intends to monitor the investments in the Fund and take actions to ensure that less than 25% of the Units are held by investors that are subject to Part 4 of Title I of ERISA. As a result, the Manager may need to restrict subscriptions, purchases and transfers of Class B Units that would result in such 25% limit being exceeded. The Manager may also expel a Member that is subject to Part 4 of Title I of ERISA by forcing such Member to either redeem its Class B Units or sell its Class B Units to another Member or Person, if it is determined by, the Manager, the United States Department of Labor or Internal Revenue Service, or a court of competent jurisdiction that (i) such Member's continued status as a Member of the Fund or the conduct of the Fund will result, or there is a material likelihood that such continuation or conduct will result, in a material violation of ERISA or Section 4975 of the Code, or (ii) all or a portion of the Fund's assets constitute "plan assets" of such Member.

THE PROPERTY

The following is only a summary of the Fund's indirect investment in the Property through the LP and the other intermediary entities and is qualified in its entirety by reference to the terms of the Operating Agreements, copies of which are available upon request of the Manager. None of the LP Affiliates has reviewed this summary and therefore makes no warranties or representations as to the accuracy or completeness of this summary or compliance of this Offering with applicable rules and regulations. There can be no assurance that the Property will be a successful investment venture or that it will generate sufficient returns on investment, if any at all. There can be no assurance that the Fund, the LP, or any of the intermediary entities will be effective in achieving their business or investment objectives or implementing their investment strategies with respect to the Property, and to the extent they unsuccessful, the Fund may experience significant losses. Investment in the Fund involves a high degree of risk. See the "RISK FACTORS" identified beginning on page 34 of this Private Placement Memorandum.

The Property

The Riverbend Apartments is a residential multifamily apartment community located at 8850 Riverbend Parkway, Indianapolis, Indiana 46250 (the "**Property**"). The Property is comprised of 996 units with an average square footage of 821 square feet per unit. The Property has many community amenities, including lighted tennis courts, basketball courts, a 24-hour fitness center, and a newly remodeled clubhouse with a theater and two swimming pools. Each unit has access to the outdoors through balconies and patios, allowing tenants to enjoy picturesque scenery of the adjacent White River and creeks.



The Property is located 0.3 miles from the city's "Magnificent Mile" – the dynamic north side corridor that includes the finest and most dense collection of amenities in the state, including high-end retailers such as Apple, Armani, Crate & Barrel, Louis Vuitton, Nordstrom, Saks, Tesla, Tiffany & Co., and West Elm, among others. The Property lies between two of the regions premier retail and dining destinations, the Fashion Mall at Keystone and Castleton Square Mall. The area is home to nearly 5,000 medical jobs in two nearby hospitals and dozens of medical office buildings. The location offers superior access to the region's best employment, shopping, and dining and is a premier value-add candidate.

The Property was built in phases between 1982 and 1986, and though it has been well maintained over the years, unit interiors are of varying levels of quality, the majority of which are outdated and unable to meet the current demands of renters in the market. The Property has been undermanaged due to a fragmented ownership structure. Given the strong demographics in the submarket and the significant variance between current rents and those of nearby Class A and renovated apartments, the Property is a prime value-add candidate.

The Property Owner projects a $228-rent premium for upgraded units, bringing rents in-line with similar properties and bridging the large gap between the current rents at the Property and the nearby comparable set.

Under the Property Owner's assumptions, the total transaction capitalization of the Property is forecasted to be a total of $123,350,000, which includes a $19,000,000 capital improvement budget, and the Property is forecasted to generate, after payment of all fees and expenses, investor returns of a 26.1% IRR and a 2.86x multiple on invested capital over a five-year hold.

In turn, the Manager projects that, if the Property Owner's assumptions are accurate and distributions are made by the intermediary entities and the LP as expected, after payment of the Fund's fees and expenses, the Property will generate a 17.7% IRR for the Members of the Fund. Moreover, the Manager projects that the Property will generate $35M of depreciation and a total of $50M in tax losses over the first three years, translating into depreciation benefits for the Members of the Fund of 2.4x to 2.7x in year one and an overall 3x depreciation to investment ratio.

PROPERTY SUMMARY	
Property Name	Riverbend Apartments
Site Address	8850 Riverbend Parkway
City, State	Indianapolis, IN
Year Built	Ph I: 1982, Ph II: 1985, Ph III: 1986
Total Unit	996
Rentable Area (Sq. Ft.)	817,328
Average Square Feet	821

CAPITALIZATION	Total	Per Unit
Acquisition Price	$97,250,000	$97,641
Capital Improvement Budget	$19,000,000	$19,076
Closing Costs / Operating Reserve	$7,100,000	$7,129
Total Capitalization	$123,350,000	$123,845
Cash Equity	$37,350,000	$37,500

SENIOR LOAN (PRO FORMA)	Total	Per Unit
Total Proceeds	$86,000,000	$86,345
Initial Funding Request	$66,000,000	$66,265
Renovation Reserve	$19,000,000	$19,076
Interest / Operating Reserve	$1,000,000	$1,004
Loan-to-Cost	69.7%	
Rate	L + 280 bps	
Term	4 + 1 Years	
Amortization	None (I/O)	

FORECAST RETURNS - LP INVESTOR LEVEL	
Hold Period	60 Months
IRR	26.1%
MOIC	2.86x

Additional information regarding the Property is available from the Property Owner at www.lifeatriverbend.com and from the Manager at www.RiverbendInvestments11235.com.

No guarantee of a return on investment can be made and it is possible that the Members and the Fund will not receive the financial or tax returns projected in this Private Placement Memorandum or could lose their entire investment. The financial and tax projections and pro forma information contained in this Private Placement Memorandum represent estimates based on current expectations, assumptions, estimates, events, projections, opinions and beliefs of the Manager and the LP Affiliates as of the date of this Private Placement Memorandum considered reasonable under the circumstances and are dependent on the successful implementation of the LP Affiliates' investment strategy for the Property. Some of the assumptions and events include those which the Fund and the Manager have no control and the LP Affiliates have only partial or no control. The Property could require more of a capital investment than projected by the Property Owner, which would adversely affect the Fund's and the Members' expected financial returns on their investment. The ability of Members to claim the projected depreciation or other items of loss from the Property may be limited by the Members own tax situations. No tax advice is being provided by this Private Placement Memorandum and prospective investors should consult with their own tax and financial advisors regarding the merits of an investment in the Fund.

The selection of assumptions underlying such projected financial information requires the exercise of judgment, and the financial projections are subject to uncertainty due to the effects that economic, business, competitive, legislative, political, or other changes may have on future events, including those described in "RISK FACTORS" beginning on page 34 of this Private Placement Memorandum. Changes in the facts or circumstances underlying such assumptions could materially affect the financial projects. To the extent that assumed events do not materialize, actual results could vary materially from the projected results.

As a result, no assurance can be given that the Property Owner will achieve directly, and the Fund indirectly, the returns projected in this Private Placement Memorandum, and no representation or warranty, express or implied, is made or intended, nor should any be inferred, with respect to such projected returns or any financial projections or pro forma statements in this Private Placement Memorandum.

The Intermediary Entities

The Property was acquired by Riverbend Owner, LLC, a Delaware limited liability company (the "**Property Owner**"), for approximately $97,250,000 in early June 2020. To finance the acquisition, Riverbend Investor, LLC, a Delaware limited liability company (the "**Property Investor**") made a $37,350,000 capital contribution in the Property Owner. In turn, Big Real Estate BRP, L.P., a Delaware limited partnership (the "**Class A Property Investor Member**"), made a $22,000,000 capital contribution to the Property Investor and Riverbend JV, LLC, a Delaware limited liability company (the "**Class B Property Investor Member**"), made a $15,350,000 capital contribution to the Property Investor. Of the Class B Property Investor Member's $15,350,000 capital contribution to the Property Investor, $5,000,000 was seller financed and the remaining $10,350,000 was financed by a $2,050,000 capital contribution by Riverbend GP, LLC, an Ohio limited liability company (the "**GP**"), and the remaining $8,300,000 was financed by a capital contribution by the LP (as defined below).

The LP

Pepper Riverbend Investors, LLC, an Ohio limited liability company (the "**LP**"), is comprised of several members that collectively contributed $8,300,000 in capital to the LP, including the Fund, which made a $3,000,000 capital contribution to the LP in exchange for an approximately 36% membership interest (the "**LP Interest**"). The Fund's capital contribution to the LP was financed by a $3,000,000 capital contribution from TGF, which in turned borrowed $500,000 from Peak Returns. TGF's capital contribution to Fund will be partially redeemed, and Peak Returns' loan to TGF will be partially repaid, from the proceeds of the Offering, and then TGF and Peak Returns will be issued Class A Units in the Fund at a purchase price of $1.00 per Class A Unit in exchange for the remaining portion of TGF's capital contribution to the Fund and the conversion of the remaining portion of Peak Returns' loan to TGF into a capital contribution to the Fund. See "SUMMARY OF THE OFFERING" on page 1 of this Private Placement Memorandum regarding the use of proceeds of the Offering for more information.

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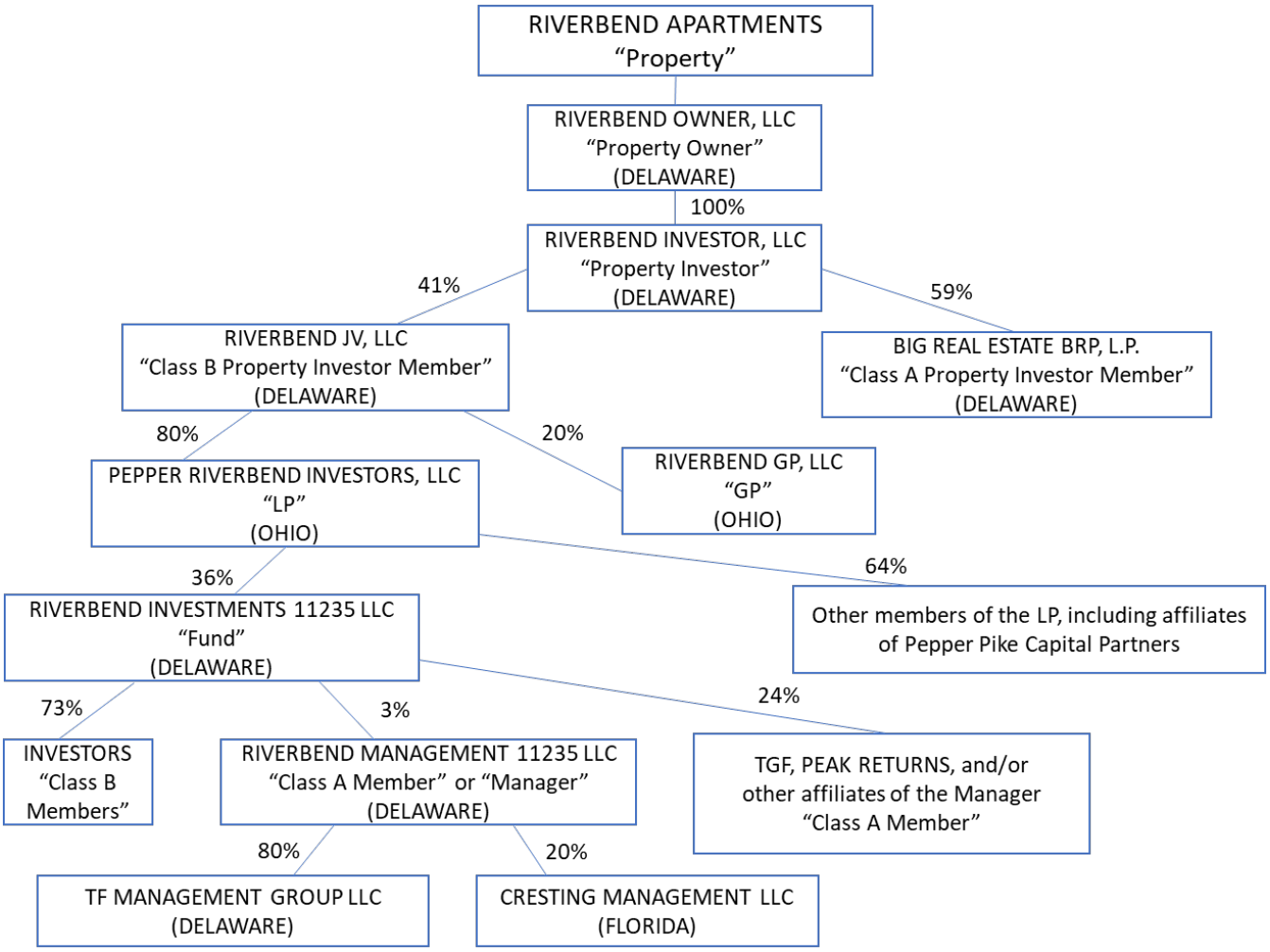
Organizational Chart

Please see the following chart showing the organization and percentage ownerships of the Fund, the LP, and the intermediary entities between the LP and the Property (percentages may be rounded and, in the case of ownership of the Fund, are only estimates and are subject to change based on the actual amount of capital contributed to the Fund by each of its Members):



Management of the LP and Intermediary Entities

The following summarizes the management of the LP and the intermediary entities based on the provisions of the LP Operating Agreement and the operating agreements of the intermediary entities (each an "**Operating Agreement**" and, together with the LP Operating Agreement, the "**Operating Agreements**"). The following is only a summary of such provisions and is qualified in its entirety by reference to the actual provisions of the Operating Agreements. In the event of a conflict between the terms of this summary and the

actual provisions of the Operating Agreements, the latter shall control and prevail. Copies of the Operating Agreements are available upon request of the Manager.

Property Investor

The Property Investor is managed by the Class B Property Investor Member. The manager has plenary authority to manage the business and affairs of the Property Investor; provided, that certain major decisions require the approval of the Class A Property Investor Member. The manager may only be removed for certain cause events enumerated in the Operating Agreement by action of the Class A Property Investor Member, subject to certain notice and cure rights set forth in the Operating Agreement. Upon removal of the manager, the Class A Property Investor Member may designate a replacement manager.

Class B Property Investor Member

The Class B Property Investor Member is managed by the GP. The manager has plenary authority to manage the business and affairs of the Class B Property Investor Member, including all decisions on behalf of the Class B Property Investor Member with respect to its membership interest in the Property Investor. The GP has the right to appoint, elect, or remove or replace the manager at any time.

LP

The LP is managed by Pepper Pike Acquisition Associates, LLC, an affiliate of Pepper Pike Capital Partners ("**PPAA"**). The manager has plenary authority to manage the business and affairs of the LP, including all decisions on behalf of the LP with respect to its membership interest in the Class B Property Investor Member.

Distribution Waterfall

The following summarizes the distribution rights vis-à-vis the Fund and the other members of the LP and the intermediary entities and their respective members based on the provisions of the Operating Agreements. The following is only a summary of such provisions and is qualified in its entirety by reference to the actual provisions of the Operating Agreements. In the event of a conflict between the terms of this summary and the actual provisions of the Operating Agreements, the latter shall control and prevail. Copies of the Operating Agreements are available upon request of the Manager.

Distributions by the Property Investor

Under the Property Investor's Operating Agreement, no distributions will be made unless and until the Property Investor and its subsidiaries have paid all Company Costs (as defined in the Operating Agreement) then due and payable and all amounts then due under the Mortgage Loan (as defined in the Operating Agreement).

Prior to the Redemption Date (as defined in the Operating Agreement), as long as no Changeover Event (as defined in the Operating Agreement) or Distribution Suspension Event (as defined in the Operating Agreement) has occurred, all Distributable Cash (as defined in the Operating Agreement) is distributed to the members as follows:

(1) any accrued and unpaid interest on any Member Loans (as defined in the Operating Agreement) made by the Class A Property Investor Member;

(2) the principal balance of any Member Loans made by the Class A Property Investor Member,

(3) the Enhanced Class A Return (as defined in the Operating Agreement) on the amount of any additional capital contributions made by the Class A Property Investor Member pursuant to the Operating Agreement,

(4) any additional capital contributions made by the Class A Property Investor Member pursuant to the Operating Agreement,

(5) all accrued and unpaid Current Class A Return (as defined in the Operating Agreement) owed to the Class A Property Investor Member,

(6) all accrued and unpaid Current Class B Return (as defined in the Operating Agreement) owed to the Class B Property Investor Member,

(7) all accrued and unpaid Accrued Class A Return (as defined in the Operating Agreement) owed to the Class A Property Investor Member,

(8) all accrued and unpaid Accrued Class B Return (as defined in the Operating Agreement) owed to the Class B Property Investor Member, and

(9) any remaining amount of Distributable Cash is distributed to the members in proportion to their capital contributions.

If a refinancing occurs and the Class A Property Investor Member receives the Redemption Price (as defined in the Operating Agreement) in full, then following the date of refinancing until the earlier of the date on which the Property is sold and the date of payment to the Class A Property Investor Member under Section 4.2F of the Operating Agreement, the Distributable Cash is distributed pursuant to items (1) through (4) above, and then any amount of Distributable Cash remaining is distributed 20% to the Class A Property Investor Member and 80% to the Class B Property Investor Member.

All proceeds following the occurrence and during the continuance of a Changeover Event or following the Redemption Date, is distributed to the members as follows:

(1) the full Redemption Price to the Class A Property Investor Member,

(2) any unreturned capital contributions made by the Class B Property Investor Member pursuant to the Operating Agreement plus any accrued but unpaid Current Class B Return, and then

(3) any remaining amount of proceeds is distributed 20% to the Class A Property Investor Member and 80% to the Class B Property Investor Member.

Upon the occurrence and during the continuance of a Distribution Suspension Event, all Distributable Cash is distributed to the members as follows:

(1) any accrued and unpaid interest on any Member Loans made by the Class A Property Investor Member,

(2) the principal balance of any Member Loans made by the Class A Property Investor Member,

(3) the Enhanced Class A Return on the amount of any additional capital contributions made by the Class A Property Investor Member pursuant to the Operating Agreement,

(4) any additional capital contributions made by the Class A Property Investor Member pursuant to the Operating Agreement,

(5) all accrued and unpaid Current Class A Return on the amount of all unreturned capital Contributions made by the Class A Property Investor Member pursuant to the Operating Agreement, and then

(6) any remaining balance to be deposited into a reserve account under the control of the Class A Property Investor Member to be applied to operating expenses of the Property contained in an Approved Budget (as defined in the Operating Agreement) or otherwise approved by the Class A Property Investor Member, and the balance of this reserve account is to be released to the Property Investor once the Distribution Suspension Event has been cured.

Distributions by the Class B Property Investor Member

Under the Class B Property Investor Member's Operating Agreement, at the end of each taxable year, the manager will distribute to each member cash in the amount equal to that member's share of the Class B Property Investor Member's taxable income for the prior fiscal year multiplied by the sum of the maximum federal and state income tax rates (the "**Class B Property Investor Member Tax Advance**").

After the Class B Property Investor Member Tax Advance, on a quarterly basis, after the Class B Property Investor Member pays any expenses or fees subject to contemporaneous payments required under the seller financing note issued by the Class B Property Investor Member to the Core Riverbend Apartments, LLC, the Available Cash (as defined in the Operating Agreement) is distributed to the members as follows:

(1) pro rata in proportion to their percentage interests until the members on an aggregate basis have realized from distributions a 12% preferred return on their unreturned capital contributions and then their respective unreturned capital contributions (equaling an Internal Rate of Return (as defined in the Operating Agreement) of 12%), and then

(2) of any remaining Available Cash, 43.26% to the Members other than GP pro rata in proportion to their percentage interests and 56.74% to GP.

Distributions by the LP

Under the LP Operating Agreement, the Available Cash (as defined in the Operating Agreement) is distributed to the members as follows:

(1) any outstanding loan payments owed by the LP,

(2) every quarter, to the members in the amount of cash equal to the excess of an amount equal to the taxable net income allocated to such member under the LP Operating Agreement multiplied by the highest Tax Rate (as defined in the Operating Agreement) at any time during the fiscal quarter, divided by the aggregate amount distributed or to be distributed to such member in respect of such fiscal quarter, and then

(3) any remaining Available Cash to the members pro rata in proportion to their percentage interests.

Additional Capital

It is possible the Property will require cash in excess of the Property Owner's projected budget or that the cash generated from operations of the Property will not be sufficient to cover the expenses and liabilities of any of the intermediary entities or the LP. In such event, the applicable intermediary entities or the LP may call for additional capital or borrow funds to provide the required cash, which may adversely affect the projected returns from their investment in the Property and the Members investment in the Fund. The following summarizes the rights of the LP and the intermediary entities to call for additional capital or borrow funds based on the provisions of the Operating Agreements. The following is only a summary of such provisions and is qualified in its entirety by reference to the actual provisions of the Operating Agreements. In the event of a conflict between the terms of this summary and the actual provisions of the Operating Agreements, the latter shall control and prevail. Copies of the Operating Agreements are available upon request of the Manager.

Property Investor

If the Property Investor requires additional funds for certain purposes enumerated in the Operating Agreement, the Property Investor may require the Class B Property Investor Member to contribute additional capital to the Property Investor. If the Class B Property Investor Member's additional capital contributions are insufficient, the Class B Property

Investor Member may require the Class A Property Investor Member to contribute additional capital to the Property Investor. In the event the Class B Property Investor Member fails to make its required additional capital contributions, the Class A Property Investor Member may fund the defaulted amount as either a loan or capital contribution to the Property Investor.

Class B Property Investor Member

If the Class B Property Investor Member requires additional funds, such as, in the event the Property Investor exercises its right to call for additional capital from the Class B Property Investor Member, the Operating Agreement prohibits the Class B Property Investor Member from calling for additional capital from the LP or the GP, but authorizes the GP to cause the Class B Property Investor to borrow such required additional funds from the members (the GP and LP) on a pro rata basis and, if they decline, to borrow such required additional funds from a commercial bank, lending institution, or other person (including an affiliate of the GP); provided, that the loan is on commercially reasonable terms and bears interest at a rate not to exceed 12% per annum.

LP

If the LP requires additional funds, such as, in the event the LP elects to loan funds to the Class B Property Investor Member, the Operating Agreement prohibits the LP from calling for additional capital from the members of the LP (including the Fund), but authorizes the manager to cause the LP to borrow such required additional funds either (i) from a commercial bank, lending institution, or other person or (ii) from the manager, any member (including the Fund), or any of their affiliates provided that the loan is on commercially reasonable terms and bears interest at a rate not to exceed 12% per annum. Any third-party loans must be without recourse to the members of the LP unless otherwise agreed in writing by the members of the LP.

MANAGEMENT

Identity and Background

Riverbend Management 11235 LLC, a Delaware limited liability company organized on June 16, 2020, is the manager (the "**Manager**") of the Fund. The Manager is owned 80% by TF Management Group LLC, a Delaware limited liability company ("**TFMG**"), and 20% by Cresting Management LLC, a Florida limited liability company ("**Cresting Management**"). The principals of the Manager (the "**Managing Members**") are Mikhail Zlotnik (on behalf of TFMG) and Ramon Gonzalez (on behalf of Cresting Management). The Manager's principal office is located at Riverbend Management 11235 LLC, c/o Mike Zlotnik, 2167 E 21st Street, Suite 222, Brooklyn, NY 11229. Its telephone number is (917) 806-5029. The Manager can also be reached via email at mike@tempofunding.com.

The LLC Agreement gives the Manager broad authority to manage the Fund and make all decisions with respect to the Fund. Very few decisions with respect to the Fund require the vote or written consent of the Members. The Manager also serves as the Partnership Representative of the Fund for tax purposes (as that term is defined in the LLC Agreement).

The Fund intends to retain the services of Redwood Real Estate Administration, LLC (or other qualified fund administrator) as the Fund's administrator (the "**Fund Administrator**") to provide professional third-party fund administration services to the Fund, including preparation of reports and tax information for Members, the cost of which shall be a Fund Expense.

Management Team

Mikhail Zlotnik, Managing Member

Mikhail ("Mike") Zlotnik has been a debt and equity investor in real estate since 2000. He started his career and has spent nearly 15 years in the information technology field managing risk, business intelligence, and quality of complex systems, software, and processes. He is a strong analytic and strategic thinker, focused on improving profitability through data analysis, business process engineering, and optimization. Even while building a successful career in the information technology field, Mike's passion has always been real estate investing because of its predictability of outcome and well understood risks.

In 2009, Mike joined Tempo Funding, LLC (Mortgage Pool Fund) as a managing partner and Vice President of funding operations. Under Mike's leadership, the company grew over 40% per year on average from 2009 through the end of 2013, delivering strong returns for the fund's investors. Mike continues to lead Tempo Funding, LLC as the company's CEO.

In 2014, Mike co-founded TF Management Group, LLC, launching TF Investment Fund II, LLC (hard money mortgage pool fund), Tempo Opportunity Fund LLC (growth and income fund)

in 2017, and Tempo Growth Fund LLC (growth fund) in 2019. Mike holds a bachelor's degree in Mathematics from Binghamton University.

Ramon Gonzalez, Managing Member

Ramon Gonzalez has been in the real estate business since 2005 and is the CEO of Summit Home Buyers, LLC. Ramon and his team focus on placing capital with operators that share their core values.

Ramon has purchased, renovated, managed and successfully exited over 400 residential units yielding cap rates at least 2% above the current market rate. On average, he has achieved 35-45% capital appreciation by fixing sellers problems into income producing assets. Ramon's unique problem-solving capabilities and marketing techniques has also allowed him to purchase, renovate, successfully exit or wholesale over 320 Single Family Properties in addition to the 400 multifamily units.

Investment in the Fund by the Manager, the Managing Members, or their Affiliates

In connection with the Initial Closing, the Manager or certain of its affiliates will invest in the Fund by making capital contributions to the Fund of at least $100,000 in the aggregate in exchange for Class A Units at a purchase price of $1.00 per Class A Unit. The Manager may waive all or any portion of the compensation to be paid to it from the proceeds of the Offering as a deemed capital contribution to the Fund by the Manager or such affiliates.

Each of TGF and Peak Returns (affiliates of the Manager) will be issued Class A Units in exchange for the remaining amounts of their respective capital contributions to the Fund after repayment or return of a portion thereof from the proceeds of the Offering less accrued interest and conversion of the remaining principal amount Peak Returns' loan to TGF into a capital contribution to the Fund, as further described in the "SUMMARY OF THE OFFERING" on page 1 of this Private Placement Memorandum and set forth in the LLC Agreement.

Additionally, any affiliates of the Manager may also participate in the Offering on the same terms as the other investors.

Affiliates of the Manager

TFMG is the majority owner of the Manager and is managed by Mike Zlotnik.

TGF is a Class A Member of the Fund and an affiliate of TFMG.

Cresting Management is the minority owner of the Manager and is managed by Ramon Gonzalez.

Peak Returns is a Class A Member of the Fund and an affiliate of Cresting Management.

Other Activities of the Manager, the Managing Members, or their Affiliates

The affiliates of the Manager are engaged in a broad spectrum of real estate investment activities. In the ordinary course of their respective businesses, they may engage in activities in which their interests may conflict with the interests of the Fund and the Members. By acquiring Units, each Member will be deemed to have acknowledged the existence of such actual and potential conflicts of interest and, to the fullest extent permitted by applicable law, to have waived any claims with respect to the existence of such conflicts of interest.

The LLC Agreement provides that management of the Fund will not be the exclusive activity of the Manager or any of the Managing Members. The Manager and the Managing Members will devote only such time and effort to the Fund as is reasonably necessary to effectively carry out the Fund's business and affairs. Any affiliates of the Manager, and any employees of any affiliate of the Manager, may pursue and engage in whatever other transactions and business activities any of them desires, including those transactions and business activities that are competitive with the Fund or any of its assets.

As provided in the LLC Agreement, the Manager, any Managing Member, or any of their respective affiliates may create and operate one or more investment entities which will invest in parallel with the Fund and the Fund may, in the Manager's sole discretion, give certain persons, including any Managing Member, Members, affiliates, or other third parties, an opportunity to co-invest in the LP alongside the Fund or to otherwise invest, directly or indirectly, in the Property. Such co-investment opportunities may be made available through limited partnerships, limited liability companies, or other entities formed for the specific purpose of facilitating such co-investment. The terms of any such co-investment shall be set by the Manager on a basis the Manager believes to be fair and reasonable to the Fund and may include the payment of fees and profit interests to the Manager or affiliates of the Manager.

Business with Affiliates

The Manager may engage affiliates of the Manager to perform services for the Fund whenever the Manager reasonably concludes that those affiliates are at least as qualified as other qualified vendors providing similar services, and the Fund may pay those affiliates market-based fees, in amounts commensurate with fees that would be payable to unaffiliated entities for the same services.

Compensation of the Manager

As compensation for providing management services to the Fund, commencing on the Initial Closing and continuing until the Fund has been wound-up and all proceeds have been paid out or distributed as provided in the LLC Agreement, the Fund will pay the Manager a management fee (the "**Management Fee**") equal to 1.5% per annum of all unreturned capital contributions. The Management Fee will be calculated, prorated, and paid at the end of each calendar month.

Additionally, 10% of the proceeds of the Offering will be used to compensate the Manager in putting the deal together and to pay or reimburse the Fund, the Manager, or their affiliates

for Fund Expenses, including, without limitation, approximately $50,000 in fees, costs, and expenses incurred in connection with forming the Fund and the Manager, acquiring the LP Interest, preparing the Offering documents and conducting this Offering, and related matters.

Pepper Pike Capital Partners has agreed to reimburse the Manager for $25,000 of the fees, costs, and expenses incurred by the Manager in connection with the Fund's acquisition of the LP Interest, which reimbursement will be used by the Manager to reduce the Fund Expenses.

In connection with the Property Owner's acquisition of the Property, the formation of the LP, and the Fund's investment in the LP, certain additional transactions were agreed to that may give the Managing Members and/or certain of their affiliates additional compensation that they were not otherwise entitled to receive. These transactions are summarized on page 39 of this Private Placement Memorandum under the heading "Side Letters" in the "CONFLICTS OF INTEREST" section of this Private Placement Memorandum.

Removal of the Manager

As provided in the LLC Agreement, the Manager may only be removed as the manager of the Fund for "cause" and upon written notice of removal for cause from the Member or Members holding an aggregate Ownership Interest of no less than 75% (not including any Units held by the Manager, a Managing Member, or any of their affiliates). There is cause to remove the Manager only if a court or arbitral tribunal of competent jurisdiction has finally determined (without regard to the availability of any appeals granted on a discretionary basis) that the Manager or a Managing Member has (i) committed (or pleads nolo contendere to having committed) embezzlement, fraud or any other act involving material improper personal benefit against the Fund or any of its assets, or (ii) materially breached the LLC Agreement, which breach remains uncured as of the date of such finding, in a manner that had a material adverse effect on the Fund and Members; provided, however, that no removal right shall arise if, in the case of acts by a Managing Member, such Managing Member is removed as a member of the Manager within 30 days after the court's or arbitral tribunal's judgment that would otherwise have given rise to a right by Members to remove the Manager.

In the event the Manager resigns or is removed as the manager of the Fund, a replacement manager may be appointed by the Member or Members holding an aggregate Ownership Interest of no less than 75% (not including any Units held by the Manager, a Managing Member, or any of their affiliates). If a replacement manager is not appointed, the Fund will be dissolved unless the Member or Members holding an aggregate Ownership Interest of no less than 75% elect to continue the Fund (not including any Units held by the Manager, a Managing Member, or any of their affiliates).

Indemnification and Exculpation of the Manager

Under the LLC Agreement, to the extent permitted by applicable law, neither the Manager, any of its affiliates, nor any of their respective principals, partners, members, officers, employees, or agents (each, an "**Indemnitee**") will be liable for, and each shall be

indemnified and held harmless by the Fund to the fullest extent legally permissible from and against, any loss or cost arising out of, or in connection with, any act or activity undertaken (or omitted to be undertaken) in fulfillment of any obligation or responsibility under the LLC Agreement, including any such loss sustained by reason of any investment in Fund or the LP, except that no Indemnitee will be exculpated from, nor indemnified and held harmless from and against, any liability arising from losses caused by such Indemnitee's gross negligence, willful misconduct, or violation of applicable law.

No Control over the Property, the LP, or Intermediary Entities

The Fund has been formed for the sole purpose of investing substantially all of its capital in the LP. The Fund is, and expects at all times to be, a member of the LP. Neither the Fund nor the Manager (on behalf of the Fund) will have any control over the LP, the operations of the LP, the operations of the intermediary entities between the LP and the Property, or the ownership, development, operations, and disposition of the Property. Any and all rights, including voting rights, pertaining to the LP Interest shall be vested exclusively in the Fund and may be exercised only by the Manager acting in accordance with the terms of the LLC Agreement and the LP Operating Agreement, and no Member either alone or acting with one or more other Members shall have any such rights with respect to the LP Interest.

See the discussion of the limited management rights with respect to the Property vis-à-vis the LP and the intermediary entities under the heading "Management of the LP and Intermediary Entities" on page 20 of this Private Placement Memorandum.

ELIGIBLE INVESTORS AND SUITABILITY STANDARDS

Class B Units of limited liability company interest in the Fund (the "**Class B Units**") are offered only to certain investors that are individuals, corporations, partnerships, limited liability companies, trusts and, in the Manager's discretion, Employee Benefit Plans (as defined below) and Tax-Exempt Entities (as defined below), and other investors that meet the suitability requirements described below. As used in this Private Placement Memorandum, "**Employee Benefit Plan**" investors include benefit plans subject to part IV of Title I of ERISA, such as employer-sponsored pension plans and profit-sharing plans, and plans subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**") such as Keogh plans and IRAs, other employee benefit or qualified retirement plans, and other entities whose assets are deemed to include assets of any Employee Benefit Plan. In addition, the term "Tax-Exempt Entities" includes any entity exempt from federal income taxation, including Employee Benefit Plans.

Prospective investors should satisfy themselves that an investment in the Fund is suitable for them, should examine this Private Placement Memorandum and all documents transmitted herewith, and should avail themselves of access to such additional information about this Offering, the Fund, the Manager and their respective affiliates and businesses as the prospective investors consider necessary to make an informed investment decision.

In addition to the net worth, income and investments standards described below, each investor must have funds adequate to meet personal needs and contingencies, be able to bear the entire loss of its investment in the Fund, have no need for liquidity from its investment in the Fund, and purchase Class B Units in the Fund for long-term investment only and not with a view to resale or distribution. A Member's Capital Contributions (as adjusted to reflect the allocation of income and losses) to the Fund may not be redeemed and the Member may not withdraw from the Fund except upon the consent of the Manager, which the Manager may withhold in its sole discretion, and then only in compliance with the terms of the LLC Agreement and federal and state securities laws and regulations.

Each investor, either alone or with a purchaser representative, must also have sufficient knowledge and experience in financial and business matters generally, and in securities investment in particular, to be capable of evaluating the merits and risks of investing in the Fund. Because of the restrictions on withdrawing funds from the Fund and the risks of investment (some of which are discussed under "Risk Factors" in this Private Placement Memorandum), an investment in the Fund is not suitable for an investor that does not meet the suitability standards discussed in this Private Placement Memorandum.

Class B Units in the Fund are offered only to investors that are "accredited investors" (as described below). The Manager reserves the right to reject the Subscription Agreement of any prospective investor for which it appears, in the exclusive discretion of the Manager, that an investment in the Fund may not be suitable. A prospective investor should not, however, rely on the Manager to determine the suitability of its investment in the Fund.

Accredited Investor Requirements

To qualify as an accredited investor, an investor must provide documents and information sufficient to satisfy the Manager that the investor is an "accredited investor" under Rule 501(a) of Regulation D promulgated by the Securities and Exchange Commission (the "**Commission**") under the 1933 Act. Generally, to be treated as an accredited investor, an investor must satisfy one of the following tests:

(a) Individuals. If the purchaser is an individual, the purchaser must (i) have an individual net worth, or joint net worth with that person's spouse, of at least $1,000,000 (for this purpose, "net worth" means the excess of total assets at fair market value (including personal and real property, but excluding the estimated fair market value of the purchaser's primary home) over total liabilities), or (ii) have an individual income in each of the two most recent years in excess of $200,000, or joint income with the purchaser's spouse in excess of $300,000 for each of the two most recent years, and in either case, the purchaser has a reasonable expectation of reaching the same income level in the current year.

(b) Entities. (i) Any corporation, Massachusetts or similar business trust, or partnership that was not formed for the specific purpose of acquiring the securities offered and has total assets in excess of $5,000,000, or (ii) any entity in which all of the equity owners are individuals who each have a net worth (including assets jointly held with the individual's spouse) in excess of $1,000,000 (for this purpose, "net worth" means the excess of total assets at fair market value (including personal and real property, but excluding the estimated fair market value of the individual's primary home) over total liabilities).

(c) Certain Trusts. Any trust with total assets in excess of $5,000,000 not formed for the specific purpose of acquiring the securities offered whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D promulgated by the Commission under the 1933 Act.

(d) Employee Benefit Plans and Other Plans. Any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, if such plan has total assets in excess of $5,000,000; any Employee Benefit Plan within the meaning of ERISA if the investment decision is made by a "Plan Fiduciary," as defined in Section 3(21) of ERISA, that is a bank, savings and loan association, insurance company or registered investment adviser, or that has total assets in excess of $5,000,000; or, if the Employee Benefit Plan is a self-directed plan or IRA, the plan or IRA has its investment decisions made solely by participants or beneficiaries that are accredited investors.

(e) Other Purchasers. Other accreditation standards are described in the Subscription Agreement.

Reliance on Subscriber Information

Representations and requests for information regarding the satisfaction of investor suitability standards are included in the Subscription Agreement that each prospective investor must complete. The Class B Units in the Fund being offered hereby have not been registered under the 1933 Act and are being offered in reliance on Section 4(2) thereof and Regulation D promulgated by the Commission thereunder, and in reliance on applicable exemptions from state law registration or qualification provisions. Accordingly, before selling Class B Units to any prospective investor, the Manager intends to make all inquiries reasonably necessary to satisfy itself that the prerequisites of such exemptions have been met. Prospective investors will also be required to provide whatever additional evidence is deemed necessary by the Manager to substantiate information or representations contained in their respective Subscription Agreements. The standards set forth in this Private Placement Memorandum are only minimum standards. The Manager reserves the right, in its exclusive discretion, to reject any Subscription Agreement for any reason or no reason, regardless of whether a prospective investor meets the suitability standards contained herein. In addition, the Manager reserves the right, in its exclusive discretion, to waive minimum suitability standards not imposed by law.

The Manager will impose suitability standards comparable to those contained herein in connection with any resale or other transfer of a Member's Class B Units in the Fund that is consented to by the Manager and permitted under the LLC Agreement.

Investment Company Act

For the Fund to avoid classification as an "investment company" under the Investment Company Act of 1940 (the "**Company Act**"), the Manager may limit ownership by any other investment company (even if it is exempt from the definition under Section 3(c)(1) or Section 3(c)(7) of the Company Act) to less than 10% of the outstanding Ownership Interests at the time such entity invests in the Fund. If any such entity subscribes for Class B Units in the Fund, the Manager may limit, in its sole discretion, the Class B Units sold to such entity to less than 10% of the Ownership Interests after such entity's investment. If the entity's subscription is for a greater amount, the difference may, in the Manager's discretion, be refunded without interest.

RISK FACTORS

An investment in the Fund involves significant risks. It is only designed for sophisticated investors that are able to bear the economic risk of a complete loss of their investment in the Fund. The following discussion of risk factors supplements the matters discussed in elsewhere in this Private Placement Memorandum, including in those sections titled "Conflicts of Interests," "Certain Considerations for Employment Benefit Plans and Individual Retirement Plans," and "Certain U.S. Tax Considerations." The following discussion does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read this entire Private Placement Memorandum, the LLC Agreement and the Subscription Agreement, and consult with their own legal, tax and financial advisers before deciding whether to invest in the Fund. No assurances can be given that the Fund's investment objectives will be achieved or that Members will receive a return of all or any part of their capital. Among other issues, prospective investors should consider the following factors, along with the matters discussed in the other sections identified in the preceding sentence in determining whether an investment in the Fund is a suitable investment for them.

Risks Relating to an Investment in the Fund

Lack of Diversification

The Fund's sole investment asset is the LP Interest, and indirectly through the LP and the intermediary entities, the Property. Accordingly, the Fund's performance will be limited solely to the success or failure of the Property and any negative issues affecting the Property, or poor investment performance of the Property in general, will significantly affect the total returns achieved by the Fund. From an asset allocation standpoint, the Fund should not be viewed as a standalone investment that will provide a Member with a diversified portfolio of investments.

Illiquid and Long-Term Investment

Prospective investors should consider an investment in the Fund to be illiquid and long-term. Members are not permitted to withdraw from the Fund or demand return of their capital contributions. There is no market for the LP Interest and the Units, and none is intended to exist. Neither the LP Interest nor the Units are registered, and the LP and the Fund are not required to register them and do not expect to register them. Accordingly, investment in the Fund requires a long-term commitment with no certainty of return and Members will not be able to liquidate their Units when they might wish to do so.

The Fund Has No Operating History

The Fund is a recently formed entity and has no prior operating history upon which an investor can base its prediction of future success or failure. Although the Managing Members

and affiliates of the Manager and its personnel have experience in the real estate business and investment management, the Fund may be unable to meet its investment objective or produce the investment returns targeted by the Fund or any profit at all.

Past Performance Is Not a Predictor of Future Results of the Fund

The success of the Managing Members, any affiliates of the Manager, or any LP Affiliates in any similar ventures, or the past performance of the Managing Members, any affiliates of the Manager, or any LP Affiliates, or the past performance of any investment fund managed by them, is no assurance of future success of the Fund. The Fund's performance is dependent on future events and is therefore inherently uncertain. Past performance cannot be relied on to predict future events due to a variety of factors, including, without limitation, varying degrees of business strategies, different local and economic circumstances, different supply and demand characteristics, varying availability and terms of capital, availability and terms of bank loans or other borrowing facilities, and varying circumstances pertaining to the real estate market.

No Assurance of Profit or Distributions

There is no assurance that the Property will be profitable or that it will generate sufficient cash for the Fund to be profitable or for the Fund to be able to make distributions to the Members. Any return on investment to the Members will depend on the performance of the Property, which performance will depend on many factors beyond the control of the Fund and even beyond the control of the LP, the intermediary entities, and the other LP Affiliates. The Fund may not have sufficient cash available to make sufficient distributions to the Members to cover their tax liabilities arising from the allocation of the Fund's income or other items of gain to them. The Fund Expenses may exceed its income and the Members could lose the entire amount of their capital contributions.

Distributions Subject to Recall

As provided in the LLC Agreement, in the event the Fund is unable to pay Fund Expenses or the Fund incurs other liabilities or expenses and does not have sufficient income to pay them, the Fund may recall distributions from the Members.

Additionally, the Members may be obligated to return distributions to the Fund or to creditors whose interests have been injured under applicable law, including the Delaware Limited Liability Company Act, which may require the return of distributions received during the Fund's insolvency, or the rules regarding fraudulent conveyances.

Renovation Risks

The Property Owner's budget for the Property includes approximately $19,000,000 in renovation costs. The renovation project may not be completed on schedule or within budget. Unanticipated problems, including strikes, adverse weather, material shortages, increases in the cost of labor and materials, bankruptcy or insolvency of a contractor or

subcontractor, or litigation with contractors, adjacent property owners, or service providers could result in increased delays and costs of a project, which may require the Property Owner or other intermediary entities to invest greater amounts at different stages of renovation than originally anticipated in order for the project to be completed. Whether the Property when completed will generate income and value appreciation cannot be determined until after completion of the renovations. Accordingly, the Fund may not make distributions to Members until the renovations are completed, the renovation expenses are paid in full, and the Property is stabilized.

Limited Management Rights of the Members; Lack of Control

The LLC Agreement gives the Manager broad authority to manage the Fund and make all decisions with respect to the Fund. Under the terms of the LLC Agreement, the Manager also determines the amount of distributable cash available for distribution by the Fund to the Members. Although the Members will have their rights specifically granted to them by the LLC Agreement, they will have no part in the management and control of the Fund.

As provided in the LLC Agreement, the Manager may only be removed as the manager of the Fund for cause and upon written notice of removal for cause from the Member or Members holding an aggregate Ownership Interest of no less than 75%. In the event the Manager resigns or is removed as the manager of the Fund, the Member or Members holding an aggregate Ownership Interest of no less than 75% may appoint a replacement manager.

The Fund is merely an investor in the LP. The Fund has no control over the LP, its investment, or any operations of the LP or any of the intermediary entities. This Offering does not constitute a direct or indirect offering of interests in the LP or any of the intermediary entities. Each Member will only be an investor in the Fund and will not (i) be a member in the LP, (ii) own a direct interest in the LP, or (iii) have any voting rights in the LP.

Furthermore, neither the Fund nor the Manager has any control over the Property, including ownership, operations, improvement, leasing, financing or disposition, or over the decisions of the LP or any of the intermediary entities. The Fund is completely dependent upon the analytical skills and expertise of the personnel and management of the LP and the intermediary entities. There can be no assurance that such key personnel will continue to be available to the LP and the intermediary entities throughout the life of the Fund. The death, incapacity, or retirement of any of the key professionals of the LP or any of the intermediary entities may adversely affect the investment results of the Fund.

The Fund and the Manager are not likely to be aware of any activities of the personnel and management of the LP or any of the intermediary entities, including, without limitation, such personnel's or management's engaging in transactions that involve conflicts of interest. As a result, there can be no assurance that such persons will conform their conduct in a manner that is consistent with the expectations of the Fund and the Manager.

Reliance on Fund Personnel

The Manager has complete discretion with respect to decisions regarding the Fund's investment in the LP Interest, and indirectly through the LP and the intermediary entities, the Property, and managing the business and affairs of the Fund. The success of the Fund depends in substantial part on the skill and expertise of the key personnel of the Manager, including the Managing Members. There can be no assurance that the Managing Members or any specific professionals will continue to be associated with the Fund throughout the Fund's Term. The operations of the Fund could be adversely affected if a key person or a significant number of other professionals leave their positions and their roles and responsibilities are not adequately covered.

Risk if Manager Withdraws or Is Terminated

The Fund presently only has one Manager. If the Manager withdraws from the Fund or is removed by the Members pursuant to the limited removal rights set forth in the LLC Agreement, it may be difficult or impossible for the Members of the Fund to locate a suitable replacement for the Manager. If the Members are unable to timely replace the Manager, the Fund must dissolve and liquidate its assets, even if doing so would adversely affect the value the Fund would receive for its assets or would not otherwise be in the best interest of the Fund and its Members under the circumstances.

Capital Commitments Are Irrevocable and Must be Funded in Full upon Acceptance

An investor's commitment to make a capital contribution to the Fund is irrevocable once the investor submits the investor's Subscription Agreement to the Fund and the investor must make the capital contribution in full once the investor's Subscription Agreement is accepted by the Manager on behalf of the Fund. Prospective investors should be prepared to make their capital contributions in full once they submit their Subscription Agreements.

Other Activities of Manager

The Manager, the Managing Members, and their respective affiliates, managers, officers, partners, members, and employees, and the LP Affiliates, may engage in other business activities, including the formation, operation, and management of other private investment funds (including other real estate investment funds that may be in competition with the Fund or the Property). Situations may arise in the future in which such responsibilities would compete for the time and attention of the Manager or the Managing Members to the detriment of the Fund and its business and affairs.

No Audit Requirement

The Manager is not obligated to have the Funds' financial statements audited or otherwise reviewed by independent, third-party financial professionals, but retains sole discretion to determine whether the potential benefits of an audit outweigh the cost of having one performed. The Members have no ability to require the Manager to obtain an audit. If the

Manager elects not to have an audit, the risks that the Fund's financial statements may be inaccurate are increased.

Reliance on Property Manager

The day-to-day property management (routine maintenance, repairs, tenant relations, and other operational considerations) of the Property will be the responsibility of one or more property management firms selected by the Property Owner or a third-party. Although the Manager will attempt to monitor the performance of the Property, there can be no assurance that the existing management team, or any successor, will be able to operate the Property successfully. In addition, instances of fraud and other deceptive practices and mismanagement may be committed by third party property management firms. Such illicit acts and mismanagement may undermine the Manager's, LP's, or intermediary entities' due diligence efforts with respect to the Property. If such fraud or other illicit acts or mismanagement are discovered, it could adversely affect the valuation of the Property. Accordingly, the Manager will have to rely to a great degree on the property manager.

Recourse to Assets

The Fund's assets, including any capital held by the Fund, are available to satisfy the obligations and liabilities of the Fund. If the Fund itself becomes subject to a liability, parties seeking satisfaction of such liability may have recourse to the assets of the Fund, and it is possible that the obligations and liabilities of the Fund may cause the Fund to pledge, sell, or lose all or a portion of the Fund's LP Interest.

Loss of Limited Liability in Certain Cases

In general, holders of limited liability company interests are not liable for the debts and obligations of a limited liability company beyond the amount of the capital contributions they have made or are required to make to the limited liability company.

Under the Delaware Limited Liability Company Act, members of a limited liability company would be held personally liable for any act, debt, obligation, or liability of a limited liability company to the extent that shareholders of a business corporation would be liable in similar circumstances. In this regard, a court may consider the factors and policies set forth in established case law with regard to piercing the entity veil, except that the failure to hold meetings may not be considered a factor tending to establish that the members have personal liability for any act, debt, obligation, or liability of the limited liability company if the certificate of formation and limited liability company agreement do not expressly require the holding of meetings of members and managers. The Manager intends to act to avoid personal liability on its Members by complying with the LLC Agreement and applicable state-imposed formalities.

Indemnification

The Fund will be required to indemnify the Manager and certain other parties for liabilities incurred by them in connection with the business and affairs of the Fund as provided in the LLC Agreement. Such liabilities may be material and have an adverse effect on the returns to the Members. Any indemnification obligations of the Fund would be payable from the income or assets of the Fund, or the Fund may be required to recall distributions from the Members in order to pay such indemnification obligations.

Absence of Recourse to the Manager

The LLC Agreement includes exculpation provisions that limit the circumstances under which the Manager and its affiliates can be held liable to the Fund and the Members. As a result, the Members may have a more limited right of action in certain cases than they would in the absence of such limitations.

Dilution from Additional Investors

After the Initial Closing, the Fund may conduct one or more additional closings over a period of 12 months until the Fund accepts subscriptions for Class B Units in an aggregate amount of $2,500,000. Additional investors in the Class B Units will dilute the Ownership Interest of the existing Class B Members.

Furthermore, the Manager or certain of its affiliates will contribute capital to the Fund in exchange for Class A Units. Such issuances will not dilute the Class B Members' respective Ownership Interests with respect to the Class B Units, but will dilute their overall Ownership Interest in the Fund and their portion of any distributions made by the Fund to the Members.

Side Letters

The Manager, on its own behalf or on behalf of the Fund, may from time to time enter into letter agreements or other similar agreements (collectively, "**Side Letters**") with one or more Members. These Side Letters may entitle a Member to make an investment in the Fund on terms other than those described in this Private Placement Memorandum or the LLC Agreement or Subscription Agreement, or provide a Member with additional or different rights and benefits. Any such terms, including with respect to (i) access to information, (ii) liquidity, or (iii) re-allocating profits allocated to Manager, may be more favorable than those offered to any other Member.

As a result of these Side Letters, certain Members may receive additional benefits (including expanded informational rights or re-allocation of profits allocated to the Manager) that other Members will not receive. The Manager, on its own behalf or on behalf of the Fund, will not be required to notify any or all of the other Members of any such Side Letters or any of the rights or terms or provisions thereof, nor will the Manager on its own behalf or on behalf of the Fund be required to offer such additional or different rights or terms to any or all of the other Members. The Manager, on its own behalf or on behalf of the Fund, may enter into such

Side Letters with any party as the Manager may determine in its sole and absolute discretion at any time. The other Members will have no recourse against the Fund, the Manager, the Managing Members, or any of their affiliates in the event that certain Members receive additional or different rights, terms or benefits as a result of such Side Letters.

Management Fees and other Fund Expenses Payable Regardless of Fund Performance

Regardless of the performance of the Property or the Fund's investment in the LP Interest, or whether the Fund experiences net losses in a particular year, the Manager will be entitled to receive its Management Fee. The Management Fee is based on a percentage of all unreturned capital contributions and not the income generated by the Fund. The Fund will be required to pay the Management Fee and the other Fund Expenses regardless of the amount of income being generated by the Property or the amount of distributions received by the Fund from the LP.

Digital Operations Risk

The Fund, the Manager, the Managing Members, and the intermediary entities are all highly dependent on technology, with documents secured and managed digitally. They all utilize industry proven or specifically developed administration software that allows them to track and manage assets and investments with confidence and accuracy. However, there are risks associated with technology. Defects in software products and errors or delays in processing of electronic transactions could result in:

- transaction or processing errors;
- diversion of technical and other resources from other efforts;
- loss of credibility with current or potential customers;
- harm to reputation; or
- exposure to liability claims.

In addition, technologies supplied by third parties that may also contain undetected errors, viruses, or defects that could have a material adverse effect on the Fund's performance.

General Real Estate Risks

Uncontrollable Factors Affecting Performance and Value

Real estate, like many other types of long-term investments, historically has experienced significant fluctuation and cycles in value, and specific market conditions may result in occasional or permanent reductions in the value of the Property. If the Property does not generate income sufficient to meet operating expenses, including debt service and capital expenditures, the Fund and its Members could be adversely affected. Long-term capital growth and the value of the Property may be adversely affected by a number of factors, including:

- changes in domestic or international economic conditions, local market and economic

conditions, and the financial conditions of tenants;
- lack of confidence in the business climate and future business conditions;
- changes in the number of buyers and sellers of properties;
- increases in the availability of supply of property relative to demand;
- changes in availability of debt financing;
- increases in interest rates, the incidence of taxation on real estate, energy prices and other operating expenses;
- changes in environmental laws and regulations;
- changes in regulations related to foreclosure and mortgage relief;
- planning laws and other governmental rules and fiscal policies;
- changes in the relative popularity of properties;
- risks due to the dependence on cash flow;
- risks and operating problems arising out of the presence of certain construction materials;
- acts of God;
- uninsured or uninsurable losses; and
- other factors that may be beyond the control of the Fund, the Manager, the LP, or any of the other intermediary entities.

Difficult market conditions more generally may adversely affect the Property and its returns by reducing the value or performance of the Property. Investment in the Fund involves a high degree of business and financial risk that can result in substantial losses. Investors should not invest unless they can readily bear the consequences of a partial or total loss of capital.

Furthermore, the Fund's indirect income from the Property would be adversely affected if a significant number of tenants were to default on their leases or vacant spaces could not be rented on favorable terms. Certain significant expenditures associated with an investment in the Property (such as real estate taxes and maintenance costs) generally do not decline when circumstances cause a reduction in income from the Property.

Governmental Regulation Could Be Costly and Restrictive

The multifamily residential property industry is highly-regulated at both state and federal levels. The Property may be subject to governmental regulations in addition to those discussed in this Private Placement Memorandum, and new regulations or regulatory agencies may develop that adversely affect the Property or the Fund's performance. The Fund, the Manager, the LP, and the intermediary entities will attempt to comply with all applicable regulations. However, such regulation may become overly burdensome and therefore may have an adverse effect on the Property's ability to perform as intended or the Fund's income potential.

Undiscovered Liabilities

Although the Manager presumes that the LP and the other intermediary entities conducted extensive due diligence before acquiring the Property, there can be no guarantee that the

Property does not carry with it a significant undisclosed or undiscovered liability that could have a material adverse effect on the value or performance of the Property or the Fund's income potential.

Environmental Risks

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. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. Although the Manager presumes that the LP and the other intermediary entities conducted extensive due diligence to discover potential environmental liabilities before acquisition of the Property, hazardous or toxic substances may yet be discovered. There can be no assurance that the Property Owner will not incur full recourse liability for the entire cost of any removal and cleanup, that the cost of such removal and cleanup would not exceed the value of the Property, or that the Property Owner could recoup any of such costs from any third party, including the seller of the property. The cost of any required remediation and the Property Owner's liability therefor as to the Property are generally not limited under such laws and could exceed the aggregate assets of the Property Owner. The Property Owner may also be liable to owners and users of neighboring properties. In addition, the Property Owner may find it difficult or impossible to sell the Property before or following any such cleanup. Environmental studies cannot guarantee that the Property Owner will not acquire properties that are so contaminated and that could be subject to the costs of removal or remediation, thus impacting returns to the Fund.

Compliance with Real Estate Laws

In the jurisdiction where the Property is located, the laws relating to real estate, zoning, environmental matters, and land use or other matters may be complex or unclear. To the extent such laws apply to the Property, the Property Owner may not be in compliance with one or more such laws and may be liable for fines or other penalties for such noncompliance.

Other Risks

COVID-19 and Similar Pandemics or Emergencies

As of the date of this Private Placement Memorandum, there is an outbreak of a novel and highly contagious form of coronavirus ("**COVID-19**"), which the World Health Organization has declared to constitute a "Public Health Emergency of International Concern." The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global and regional commercial activity, and contributed to significant volatility in the equity investment, real estate development, and construction markets. The locality and scale of the outbreak is rapidly evolving, and many countries, states, and local governments have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, schools, retail stores, restaurants, hotels, courts, and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Many

businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruptions in supply chains and economic activity, are having particularly adverse effects on governmental operations, employment, and the real estate, housing, retail, transportation, hospitality, tourism, entertainment, logistics, and construction industries, and are contributing to a severe economic recession. If COVID-19 continues to spread or fails to recede, governments and businesses may take increasingly aggressive or prolonged measures. For this reason, the potential impacts of the COVID-19 outbreak are increasingly uncertain and difficult to project or otherwise assess.

These potential impacts of COVID-19, as well as the potential impacts of any other public health emergencies, including SARS, H1N1/09 flu, avian flu, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat thereof, could have significant adverse effects on the Property and the Fund's performance. The extent of such effects will depend on many factors, including the duration and scope of COVID-19 or such other public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of COVID-19 or such other public health emergency on overall supply and demand, goods and services, employment, access to capital, investor liquidity, consumer confidence and spending levels, and levels of economic activity, and the extent of the disruption to important global, regional, and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. Such effects may materially and adversely impact the renovating and leasing of the Property by, for example, delaying or terminating construction, delaying or interrupting shipments of goods, making it more difficult to obtain necessary labor and supplies, causing permitting delays or other issues, prohibiting the property manager from evicting tenants or enforcing the Property Owner's rights in the event of tenant defaults, or causing severe tenant vacancies or difficulties leasing vacancies at the Property, which in turn would adversely affect the value and performance of the Property and the Fund's income potential, all of which could result in significant losses to the Fund. In addition, the operations of the Fund, the Manager, the LP, or any of the other intermediary entities may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to COVID-19 or such other public health emergency, including its potential adverse effect on the health of the personnel of any such entity or the personnel of any such entity's key service providers.

Losses May Be Uninsured

There can be no assurance that insurance coverage against liability to third parties and property damage will be available at a reasonable cost or sufficient to cover all risks or that the Fund, the Manager, the LP, or any of the other intermediary entities will cover risks that a Member would consider covering. Should an uninsured loss or a loss in excess of insured limits occur with respect to the Property, the Fund could lose its capital invested in the Property as well as the anticipated future revenue from the Property, which would in turn negatively impact the Fund and its Members.

Absence of Regulatory Oversight

While the Fund may be considered similar to an investment company, it is not presently, and does not propose or currently intend in the future, to register as such under the Company Act or the laws of any other country or jurisdiction and, accordingly, the provisions of the Company Act (which, among other matters, require investment companies to have a majority of disinterested directors, require securities held in custody to be individually segregated at all times from the securities of any other person and to be clearly marked to identify such securities as the property of such investment company, and regulate the relationship between the adviser and the investment company) will not be applicable to the Fund. In addition, the Manager is not registered as an investment adviser under the Investment Advisers Act, or as a Commodity Trading Advisor under the Commodity Exchange Act (or any similar law). Furthermore, the Manager is exempt from registration with the Commodity Futures Trading Commission as a commodity pool operator.

Risk That the Fund May Become Subject to the Provisions of the Investment Company Act of 1940

The Fund intends to operate so as to not be regulated as an investment company under the Investment Company Act of 1940, as amended (the "**Company Act**"), based on certain exemptions thereunder. Companies that are subject to the Company Act must register with the SEC and become subject to various registration, governance, and reporting requirements. Compliance with such restrictions would limit the Fund's flexibility and create additional financial and administrative burdens on the Fund. The Fund believes it can avoid these restrictions based on one or more exemptions provided for companies like the Fund. If the Fund fails to qualify for exemption from registration as an investment company, its ability to conduct its business as described herein will be compromised. Any such failure to qualify for such exemption would likely have a material adverse effect on the Fund.

Risk Relating to the Investment Advisers Act of 1940

The Manager has not registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), and intends to operate so as to not be required to register as an investment adviser with the SEC. Even if the Manager is deemed an investment adviser, investment advisers are not required to register under the Advisers Act so long as they have less than $100 million in assets under management, and the Manager expects to be further exempted from registration so long as the Manager has less than $150 million in assets under management based on the fact that it is solely a manager of a real estate fund that is a qualifying private fund exempt from registration under the Company Act. Even if the Manager is able to rely on the exemption for advisers solely to one or more private investments funds, it may nonetheless be required to file certain reports and other information with the SEC as an "exempt reporting adviser." This information will be publicly available by the SEC, and this information could reduce the competitive advantage of the Manager and Fund. As an exempt reporting adviser, the Manager and Fund may be subject to SEC examination, record-keeping, compliance, and reporting obligations. If the Manager were deemed to be an investment adviser, and if or when the Manager exceeds that

threshold, unless it is eligible for another exemption, it will be required to register under the Advisers Act and will be subject to various restrictive provisions provided for therein. The Manager cannot determine at this time, what, if any, impact such registration and restrictions will have on its business or the business of the Fund.

The Manager could be required at some point to register under the laws of one or more states that pertain to investment advice on securities ("**State Advisers Acts**"). State Advisers Acts are similar to the Advisers Act but generally apply to investment advisers that are not subject to the Advisers Act because of the amount of assets under management or other exemptions from registration. The Manager intends to seek exemptions from such registration where possible. If the Manager does have to register under one or more State Advisers Acts, such registration may create administrative and financial burdens on the Manager, and the Manager's operation of the Fund could be adversely affected to the extent that technical requirements or prohibitions were to prevent the Fund from operating as planned or add costs to the Fund such as certain custody related requirements. So long as the Manager is not an investment adviser, it does not owe the Fund a formal fiduciary duty as such, and the Fund does not benefit from the protections of the Advisers Act or State Advisers Acts.

Risks Relating to Admission of ERISA Investors to the Fund

As discussed below in "Certain Considerations for Employment Benefit Plans and Individual Retirement Plans," the Manager intends to conduct the operations of the Fund so that the assets of the Fund will not be deemed to constitute "plan assets" of investors that are subject to the fiduciary provisions of ERISA or the prohibited transaction rules of Section 4975 of the Code ("**Benefit Plan Investors**"). If, however, the Fund were deemed to hold "plan assets" of Benefit Plan Investors, (i) ERISA's fiduciary standards would apply to the Fund and might materially affect the operations of the Fund, and (ii) any transaction with the Fund could be deemed a transaction with each Benefit Plan Investor and may cause transactions into which the Fund might enter in the ordinary course of business to constitute prohibited transactions under ERISA and Section 4975 of the Code. To avoid having the Fund's assets treated as "plan assets," the Manager will restrict the acquisition and transfer of Units in the Fund to ensure that the ownership interest of Benefit Plan Investors does not become "significant" with respect to any class of the Fund's Units, and such restrictions could delay or preclude an investor's ability to transfer its Units. See "Certain Considerations for Employment Benefit Plans and Individual Retirement Plans" below.

Complicated Tax Aspects of an Investment in the Fund

The Fund has not applied and does not currently intend to apply for a ruling from the IRS regarding the federal income tax considerations relevant to an investment in the Fund, and the Manager cannot provide any assurance that the tax consequences described herein will be applied to the Fund or the Members. Such matters are subject to change, possibly retroactively, by legislation, administrative action or judicial decision.

Because the Fund will be a flow-through entity for federal income tax purposes, it is possible that a Member's tax liability for a particular year could exceed the amount of cash distributed

to the Member for that year, and that the Member will need to use cash from other sources to pay the resulting tax liability.

Tax-Exempt Entities and certain Benefit Plans are generally subject to federal income tax only on their UBTI as defined in Section 512 of the Code. Whether the business of the Fund will generate UBTI on which a Member will have to pay federal income tax will depend on a number of factors. See "Certain U.S. Tax Considerations" below.

Each investor should make its own inquiries and consult its legal, financial and tax advisers to determine the tax merits and risks of an investment in the Fund.

There is also a risk that the Members will be subject to tax in states where borrowers are residents or where the Fund or a Portfolio Fund makes investments. Each investor is urged to consult its own tax advisers concerning these matters and the specific tax consequences to the investor of an investment in the Fund in light of the investor's particular circumstances.

Projections, Opinions and Forward-Looking Statements

Statements contained in this Private Placement Memorandum that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of the Manager as of the date of this Private Placement Memorandum and may change in response to market conditions or otherwise subsequent to the closing at which a Member is admitted to the Fund. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. The Manager and its affiliates undertake no obligation to update or revise such statements to reflect such changes. No assurance can be given that returns from the Fund will be equal or similar to those achieved or expected to be achieved by prior investments of the Members, and no assurances can be given that actual results will achieve the Fund's stated objectives.

Risks Associated with Litigation

The Fund is subject to risks associated with litigation. Liability arising out of litigation against the Fund, the Manager, the LP, or any of the other intermediary entities, or any employees, partners, members, officers or affiliates thereof, whether arising under the terms of the LLC Agreement or from the renovation or development of the Property, could be distracting to the management of the Fund and could result in the failure of the Fund to meet its objectives. Liability resulting from litigation against the Fund could result in a complete loss of a Member's investment in the Fund.

Cybersecurity

The operations of the Manager and the Fund are dependent on technology information and communication systems. A failure of any such system or a security breach or cyber-attack could significantly disrupt the Manager's operations and those of the Fund. The service providers of the Manager and the Fund are subject to the same cyber-security threats as the

Manager and the Fund. If a service provider fails to adopt, implement or adhere to adequate cyber-security measures, or in the event of a breach of its networks, information relating to the Fund, the Fund's operations and personal information relating to Members may be lost, damaged or corrupted or improperly accessed, used or disclosed.

Any system failure, security breach or cyber-attack on the Manager or the Fund, or any of their service providers, could cause the Manager and/or the Fund to suffer, among other things, financial loss, disruption to its business, including its trading capabilities and the ability of the Fund to transmit payments, including to Members, increased operating costs, liability to third parties, regulatory intervention and reputational damage and could have a material adverse effect on the Fund and Members' investments in the Fund.

The foregoing list of risk factors does not purport to be complete, and it may not describe all of the risks and conflicts of interests relating to an investment in the Fund. Prospective investors should carefully read this entire Private Placement Memorandum and the LLC Agreement and Subscription Agreement and consult with their own legal and financial advisers before investing in the Fund.

CONFLICTS OF INTEREST

Conflicts of interest exist in the structure and operation of the Fund's business. None of the agreements and arrangements between the Fund and the Manager or its affiliates, including those related to compensation, are the result of arm's-length negotiations. In addition, no assurances can be made that other conflicts of interest do not currently exist or will not arise in the future. Some of the potential conflicts are described in the paragraphs below.

Receipt of Management Fee by the Manager

As compensation for providing management services to the Fund, commencing on the Initial Closing and continuing until the Fund has been wound-up and all proceeds have been paid out or distributed as provided in the LLC Agreement, the Fund will pay the Manager a management fee (the "**Management Fee**") equal to 1.5% per annum of all unreturned capital contributions. The Management Fee will be calculated, prorated, and paid at the end of each calendar month. The Management Fee was not negotiated on an arm's-length basis. However, since absent the existence of a Management Fee, Members might receive a higher yield, the interests of the Manager and the investors are adverse in this respect. The Fund will be required to pay the Management Fee regardless of whether the Property generates sufficient income for the Fund.

Additional Incentives of the Manager and Affiliates

In addition to the Management Fee, the Manager will receive 20% of any cash that the Manager determines is available for distribution to the Class B Members except, in the case of distributions generated from a capital event affecting the Property (e.g., a sale or refinance of the Property) or dissolution of the Fund, the Class B Members will first receive a return of all their Capital Contributions. Any affiliates of the Manager may also participate in the Offering on the same terms as the other investors.

Additionally, the Manager and certain of its affiliates will receive Class A Units in the Fund in exchange for their Capital Contributions to the Fund, as further described in "MANAGEMENT" on page 26 of this Private Placement Memorandum. The Class A Units are the same as the Class B Units except they do not have to share 20% of their distributions from the Fund with the Manager.

In this regard, the Manager may have an incentive to withhold from distributions less cash to pay, or establish reserves to pay, Fund Expenses so as to maximize the amount of distributable cash available for payment to the Manager or distribution to the Manager or affiliates of the Manager (as Members of the Fund). If the Fund is unable to pay its Fund Expenses from available cash or reserves, the Fund may have to recall distributions from the Members.

Side Letters

In connection with the Property Owner's acquisition of the Property, the formation of the LP, and the investment in the LP by the Fund, certain additional transactions were agreed to by the sponsor of the Property (Paul Keibler) and/or certain of his affiliates and the Managing Members and/or certain of their affiliates.

First, pursuant to a side letter Mike Zlotnik (a Managing Member), Yuriy Gordiyenko and Yuriy Novodvorskiy (affiliates of Mike Zlotnik), and Ramon Gonzalez (a Managing Member), received the right to purchase, indirectly through their IRAs, a membership interest of approximately 5% in Riverbend Promote, LLC, a member of GP (one of the intermediary entities), which is entitled to certain "promote" distributions from the distributions received by the Class B Property Investor Member.

Second, pursuant to a side letter Tempo Opportunity Fund LLC (an affiliate of TGF and TGMF) and SC Capital LLC (an affiliate of Mike Zlotnik) were guaranteed certain internal rates of return with respect to their investment in MPG JV LLC (which is another investment fund managed by Pepper Pike Acquisition Associates, LLC and sponsored by Paul Kiebler).

It is possible that, absent these side letters, the Fund may have received more economic rights or more advantageous transaction terms with respect to its investment in the LP or, indirectly through the intermediary entities, the Property. While the Manager and the Managing Members believe the transactions represented by these side letters are fair and reasonable, they nevertheless constitute a conflict of interest as the interests of the Fund and the Members, on one hand, are potentially adverse from the interests of the Managing Members and/or certain of their affiliates, on the other hand.

Other Services or Potential Compensation

The Fund may engage affiliates of the Manager to perform services for and on behalf of the Fund, and the Fund may, in connection with such services, pay to such affiliates brokerage commissions, fees, and other compensation. Affiliates of the Fund may receive commissions or fees from unrelated third parties with whom the Fund is engaging in transactions and, that in such event, such affiliates may have a potentially conflicting division of loyalties and responsibilities regarding the Fund and the other parties to the transaction. Any commissions, fees, and other compensation paid to such affiliates shall not exceed commercially reasonable market rates.

Other Relationships

The Manager and its affiliates engage in a broad spectrum of real estate investment activities that are independent from the Fund. The LLC Agreement provides that management of the Fund will not be the exclusive activity of the Manager or any of the Managing Members. The Manager and the Managing Members will devote only such time and effort to the Fund as is reasonably necessary to effectively carry out the Fund's business and affairs. Any affiliates of the Manager, and any employees of any affiliate of the Manager, may pursue and engage in

whatever other transactions and business activities any of them desires, including those transactions and business activities that are competitive with the Fund or any of its assets. In determining whether to pursue a particular transaction on behalf of the Fund, these activities and relationships may be considered by the Manager, and there may be certain potential transactions that will not be pursued by the Fund in view of such activities and relationships.

Co-Investment Opportunities

Neither the Manager, the Members, any of their respective affiliates, nor any of their respective principals, partners, members, officers, employees, or agents will be prohibited from forming any real estate investment fund, engaging in any other business venture substantially similar to the Fund, or offering or participating in any parallel or side investment opportunities with the LP, any of the intermediary entities, or any of the LP Affiliates, or relating to the Property that competes or may be deemed competitive with the Fund, or that may otherwise have interests adverse to the Fund's interests. Such co-investment opportunities may be made available through limited partnerships, limited liability companies, or other entities formed for the specific purpose of facilitating such co-investment. The terms of any such co-investment shall be set by the Manager on a basis the Manager believes to be fair and reasonable to the Fund and may include the payment of fees and profit interests to the Manager or affiliates of the Manager.

Manager as Member

The Manager and certain of its affiliates will also be Members of the Fund. The Manager determines the minimum investment amount and other factors upon which the Manager and all others will make their investment decisions. Any investment by the Manager will be made in such form and in such amount as determined by the Manager in its sole discretion, without notice or approval of the other Members. The Manager may also determine to have the Fund accept its investment while rejecting the investments of others (though it does not intend to do so). As additional Units in the Fund are issued, the increase in interests may reduce the amounts the Fund has available to make distributions to other Members, as distributions will need to be distributed among more Units in the Fund.

Furthermore, while the Manager in its capacity as Manager is obligated to consider the interests of the Members as a whole, the Manager may vote in its capacity as a Member without considering the interests of the other Members. The interests of the Manager in its capacity as a Member may be averse to the interests of other Members.

Indemnification

Under the LLC Agreement, to the extent permitted by applicable law, neither the Manager, any of its affiliates, nor any of their respective principals, partners, members, officers, employees, or agents (each, an "**Indemnitee**") will be liable for, and each shall be indemnified and held harmless by the Fund to the fullest extent legally permissible from and against, any loss or cost arising out of, or in connection with, any act or activity undertaken

(or omitted to be undertaken) in fulfillment of any obligation or responsibility under the LLC Agreement, including any such loss sustained by reason of any investment in Fund or the LP, except that no Indemnitee will be exculpated from, nor indemnified and held harmless from and against, any liability arising from losses caused by such Indemnitee's gross negligence, willful misconduct, or violation of applicable law. If the Fund becomes obligated to pay indemnification costs, they would be paid from funds that would otherwise be available to distribute to Members or pay other Fund Expenses. The Fund may also be required to recall distributions from the members in order to pay indemnification obligations.

Diverse Members

The Members may include persons or entities organized in various jurisdictions that may have conflicting investment, tax and other interests with respect to their investments in the Fund. The conflicting interests of individual Members may relate to or arise from, among other things, the nature of the Fund's investment in the Property, the structure of the Fund's investment, and the timing of disposition of the investment. Such issues may result in different returns being realized by different Members. As a consequence, conflicts of interest may arise in connection with decisions to be made by the Manager, including with respect to the nature or structuring of the Fund's investment in the Property, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In managing the Fund, the Manager will consider the investment and tax objectives of the Fund as a whole, not the investment, tax or other objectives of any Member individually.

Lack of Investor Representation

The documents relating to the Fund, including this Private Placement Memorandum, the LLC Agreement, and the Subscription Agreement, are detailed and often technical in nature. Legal counsel retained by the Manager to advise on the formation of the Fund and the conduct of this Offering (the "**Law Firm**") represent the interests of the Manager only and will not represent the interests of any Member. Accordingly, each Member is urged to consult with its own legal counsel before investing in the Fund. The Law Firm does not investigate or verify the accuracy and completeness of information set forth in this Private Placement Memorandum concerning the Fund, the Manager, or any of their respective affiliates, personnel, or prior performance. In advising as to matters of law (including matters of law described in this Private Placement Memorandum), the Law Firm has relied, and will rely, upon representations of fact made by the Manager and other persons in this Private Placement Memorandum and other documents. Such advice may be materially inaccurate or incomplete if any such representations are themselves inaccurate or incomplete, and the Law Firm generally will not undertake independent investigation with regard to such representations.

CERTAIN CONSIDERATIONS FOR EMPLOYMENT BENEFIT PLANS AND INDIVIDUAL RETIREMENT PLANS

The following discussion is a summary of certain considerations associated with an investment in the Fund by an "employee benefit plan" that is subject to ERISA (such as a pension, profit-sharing or other plan that is qualified under Section 401(a) of the Code) or by a "plan" that is subject to Section 4975 of the Code (such as a qualified tax-deferred annuity plan, an individual retirement account ("**IRA**") or an individual retirement annuity) (each such plan, a "**Benefit Plan**"). This summary is general in nature and does not address every ERISA or other issue that may be applicable to the Fund or a particular investor and does not constitute (and should not be construed as) legal advice or a legal opinion. It is based on the provisions of ERISA, the Code, judicial decisions, and tax and U.S. Department of Labor regulations and rulings in existence as of the date hereof. Future legislative, administrative or judicial action could significantly modify the information summarized herein. Any such changes may be retroactive and thereby apply to transactions entered into before the date of their enactment or release. A fiduciary considering investing assets of a Benefit Plan in the Fund should consult with its legal adviser about ERISA, fiduciary and other legal considerations before making such an investment.

General

ERISA and the Code impose certain duties on persons who are fiduciaries of Benefit Plans and prohibit the use of "plan assets" for the benefit of the fiduciary and certain transactions involving "plan assets" between the Benefit Plan and "parties in interest" or "disqualified persons," as those terms are defined in ERISA and the Code, respectively. In evaluating whether to invest the assets of a Benefit Plan in the Fund, a fiduciary should consider, among other things: (i) whether the fiduciary has the authority to make the investment under the Benefit Plan's investment policies and governing instruments and under Title I of ERISA; (ii) whether the investment is consistent with the fiduciary's responsibilities and satisfies the requirements outlined in part 4 of subtitle B of Title I of ERISA (if applicable), in particular the requirements relating to prudence, diversification and delegation of control over "plan assets"; (iii) whether the investment could constitute or give rise to a violation of the prohibited transaction provisions in Section 406 of ERISA or Section 4975 of the Code; (iv) whether the investment will provide sufficient liquidity to permit benefit payments to be made as they become due, particularly because an investment in the Fund will be illiquid and there are significant limitations on the marketability of Class B Units in the Fund; (v) any requirement (such as that contained in Section 103(b)(3) of ERISA) that the Benefit Plan be valued annually at fair market value, because there will be no public market for the Class B Units and no annual appraisals of such Class B Units; and (vi) other provisions in ERISA dealing with "plan assets."

Neither ERISA nor the Code specifically defines the term "plan assets." However, pursuant to U.S. Department of Labor Regulation 29 C.F.R. § 2510.3-101 (the "**Plan Asset Regulation**"), the assets of an entity in which a Benefit Plan acquires an equity interest will

be deemed to be "plan assets" under certain circumstances. The Plan Asset Regulation generally provides that when a Benefit Plan acquires an equity interest in an entity that is neither a "publicly offered security," as defined in the Plan Asset Regulation, nor a security issued by an investment company registered under the Company Act, the Benefit Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless, among other exceptions not relevant here, it is established that equity participation in the entity by Benefit Plan Investors is not significant or that the entity is an "operating company," in each case as defined in the Plan Asset Regulation. Class B Units in the Fund will be considered to be an equity interest that is neither a publicly offered security nor a security issued by an investment company registered under the Company Act for purposes of the Plan Asset Regulation.

For purposes of the Plan Asset Regulation, equity participation in the Fund by Benefit Plan Investors will not be considered "significant" so long as in the aggregate Benefit Plan Investors hold less than 25% of the value of each class of Units in the Fund. For purposes of making this determination, the value of any Units held by the Manager and any other person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the Fund or who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of any such person, must be disregarded. The term "Benefit Plan Investor" includes any Benefit Plan as well as certain other types of employee benefit plans that are not ordinarily subject to Title I of ERISA or Section 4975 of the Code, such as government plans, and any entity whose underlying assets include the assets of a Benefit Plan Investor by reason of a Benefit Plan Investor's investment in that entity.

Under the Plan Asset Regulation, an entity is an "operating company" if it is engaged primarily, directly or through a majority-owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital, an entity qualifying as a "real estate operating company" (a "**REOC**") or a "venture capital operating company" (a "**VCOC**"). In general, an entity may qualify as a VCOC if (i) on its "initial valuation date" (as defined in the Plan Asset Regulation) and annually thereafter at least 50% of its assets (other than short-term investments pending long-term commitment or distribution to investors), valued at cost, are invested in operating companies, other than VCOCs, as to which it has or obtains "management rights," and (ii) in the ordinary course of its business, it actually exercises such management rights with respect to at least one of the operating companies in its investment portfolio. The term "management rights" means contractual rights directly between the entity and an operating company to substantially participate in, or to substantially influence the conduct of, the management of the operating company. Similarly, generally, in order to qualify as a REOC, an entity must demonstrate on its initial valuation date and annually thereafter that at least 50% of its assets, valued at cost, are invested in real estate that is managed or developed and with respect to which such entity has the right to substantially participate directly in the management or development activities. In addition, to qualify as a REOC an entity must, in the ordinary course of its business, actually be engaged directly in such real estate management or development activities. The Plan Asset Regulation does not provide specific guidance regarding what rights will qualify as management rights or development rights with respect to a REOC.

If the assets of the Fund are deemed to be "plan assets" of Benefit Plans that invest in the Fund (whether as a result of the application of the Plan Asset Regulation or otherwise), then subtitle A and parts 1 and 4 of subtitle B of Title I of ERISA and Section 4975 of the Code will apply to the investments made by the Fund. This will result in, among other things, (i) the application of ERISA's prudence and other fiduciary standards (which impose liability on Benefit Plan fiduciaries) to investments made by the Fund, which could materially affect the operation of the Fund; (ii) potential liability of persons having investment discretion over the assets of Benefit Plans that invest in the Fund should any investments made by the Fund not conform to ERISA's prudence and fiduciary standards under part 4 of subtitle B of Title I of ERISA; and (iii) the possibility that certain transactions that the Fund might enter into in the ordinary course of its business and operation (e.g., transactions between the Fund and any parties in interest or disqualified persons with respect to any Benefit Plan that is a Member) could constitute "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code. For example, such "plan asset" treatment would subject the calculation and payment of the Management Fee to applicable prohibited transaction rules requiring that fees constitute "reasonable compensation" for services rendered and comply with certain conflict-of-interest provisions of ERISA. A prohibited transaction, in addition to imposing potential personal liability on the fiduciaries of Benefit Plans, may also result in the imposition of a civil penalty under ERISA or an excise tax under the Code on parties in interest or disqualified persons with respect to the Benefit Plans. In addition, if the Benefit Plan involved in a "prohibited transaction" is an IRA or annuity, the IRA would lose its tax-exempt status. Since the Manager is not a registered investment adviser, other fiduciaries of the Benefit Plan would not be protected by the ERISA "investment manager" rule with respect to the investment decisions of the Manager.

The Manager will use its reasonable efforts to manage the assets of the Fund so that the assets will not be deemed "plan assets" of Benefit Plan Investors. As a result, the Manager may need to restrict subscriptions, redemptions, purchases and transfers of Units in the Fund that would result in such 25% limit being exceeded or force a redemption of all or part of a Benefit Plan Investor's Class B Units. A Benefit Plan Investor may, in the discretion of the Manager, be permitted or required to withdraw from the Fund if it is determined by the Manager, the U.S. Department of Labor, the IRS, or a court of competent jurisdiction that (i) such Benefit Plan's continued status as a Member or the conduct of the Fund will result, or there is a material likelihood that such continuation or conduct will result, in a material violation of ERISA or Section 4975 of the Code, or (ii) all or a portion the Fund's assets constitute "plan assets" of such Benefit Plan.

Representations by Benefit Plans

A Benefit Plan proposing to invest in the Fund will be required to represent that it is, and any fiduciaries responsible for the Benefit Plan's investments are:

- Aware of and understands the Fund's investment objective and strategies;
- Responsible for exercising independent judgment in evaluating the Benefit Plan's purchase, holding, and disposition of Class B Units in the Fund;

- Making the decision to invest plan assets in the Fund with appropriate consideration of relevant investment factors with regard to the Benefit Plan, and the decision is consistent with the applicable duties and responsibilities imposed by law with regard to the Benefit Plan's investment decisions;

- Independent of the Manager and any affiliate of the Manager;

- Capable of evaluating investment risks independently, both in general and with regard to transactions and investment strategies of the Fund, including the Benefit Plan Investor's purchase of Class B Units as contemplated in the Subscription Agreement; and

- Understanding that neither the Fund nor the Manager, nor any Managing Member, director, officer, member, partner, or affiliate of the Fund or the Manager, is, by having made any oral or written statement prior to the date hereof or by making any future written or oral statement regarding the Fund, undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the Benefit Plan Investor's purchase, holding or disposition of Units.

It is intended that the assets of the Fund will not be considered plan assets of any Benefit Plan or be subject to any fiduciary or investment restrictions that may exist under ERISA or the Code specifically applicable to such Benefit Plans. Each Benefit Plan will be required to acknowledge and agree in connection with its investment in Class B Units to the foregoing status of the Fund and the Manager and that there is no rule, regulation or requirement applicable to such Member that is inconsistent with the foregoing description of the Fund and the Manager.

Whether or not the underlying assets of the Fund are deemed "plan assets" under ERISA, an investment in the Fund by a Benefit Plan is subject to ERISA. Accordingly, any fiduciary of a Benefit Plan should consult with its legal adviser concerning the ERISA considerations discussed above and any other ERISA-related matters before purchasing Class B Units in the Fund.

Any investor that invests funds belonging to a Benefit Plan should carefully review the tax risks provisions of this Private Placement Memorandum as well as consult with its own tax advisers. The contents hereof are not to be construed as tax, legal, or investment advice.

PROSPECTIVE BENEFIT PLAN INVESTORS ARE URGED TO CONSULT THEIR ERISA ADVISERS WITH RESPECT TO ERISA AND RELATED TAX MATTERS, AS WELL AS OTHER MATTERS AFFECTING THE BENEFIT PLAN'S INVESTMENT IN THE FUND. MOREOVER, MANY OF THE TAX ASPECTS OF THE OFFERING DISCUSSED HEREIN ARE APPLICABLE TO BENEFIT PLAN INVESTORS WHICH SHOULD ALSO BE DISCUSSED WITH QUALIFIED TAX COUNSEL BEFORE INVESTING IN THE FUND.

CERTAIN U.S. TAX CONSIDERATIONS

General

The following is a summary of certain material U.S. federal income tax considerations that may be applicable to an investment in the Fund. The Fund has not sought a ruling from the Internal Revenue Service (the "**IRS**") or any other federal, state or local agency with respect to any of the tax issues affecting the Fund, nor has it obtained an opinion of counsel with respect to any tax issues.

This discussion is based on the Code, Treasury Regulations promulgated under the Code (the "**Regulations**"), published IRS rulings and court decisions, all as in effect as of the date of this discussion. No assurance can be given that future legislative or administrative changes or court decisions will not significantly modify the law and render inapplicable or incorrect any portion of the discussion below. Any such changes may or may not apply retroactively to transactions completed before the effective date of such changes. There are many areas of uncertainty regarding various federal income tax aspects of limited liability companies under the Code and the Regulations. The Regulations and IRS interpretations dealing with this area of taxation are under continuing review, and changes in such Regulations or interpretations could adversely affect the Fund and Members.

The discussion below addresses only certain U.S. federal income tax considerations that may be relevant to an investment in the Fund by a U.S. person. It does not address the state, local or foreign tax aspects of such an investment. In addition, this discussion does not address federal income tax considerations that may be relevant to certain special types of investors that might invest in the Fund, including but not limited to non-U.S. persons, Tax-Exempt Entities, estates or taxable trusts, and persons who hold their Class B Units in the Fund other than as a capital asset. Also see the discussion of tax matters in "RISK FACTORS" beginning on page 34 of this Private Placement Memorandum.

This summary is for general information purposes only and is not intended as a substitute for an individual analysis of the tax consequences of ownership of Class B Units in the Fund. Each investor is advised to consult its own tax advisers regarding the federal, state, local, foreign and other tax consequences of ownership of Class B Units in the Fund in light of its particular circumstances. The Manager assumes no responsibility for the tax consequences of any transaction to any investor.

Federal Income Tax Treatment of the Fund as a Partnership

The Regulations provide generally that a limited liability company with more than one member will be treated as a partnership for federal income tax purposes unless it elects to be treated as an association taxable as a corporation or is considered to be a publicly traded partnership. The Fund has no intention of electing to be treated as an association taxable as a corporation for federal income tax purposes. Moreover, the Fund does not intend to participate in or allow any of the activities that would cause the Fund to be treated as a

publicly traded partnership within the meaning of the Code and the Regulations. Accordingly, the Fund believes, and the remainder of this discussion assumes, that the Fund will be treated as a partnership for federal income tax purposes and that each Member in the Fund will be treated as a partner for federal income tax purposes.

Because it will be treated as a partnership for federal income tax purposes, the Fund will file annual income tax information returns but generally will not be subject as an entity to federal income tax liability. Instead, each Member will receive an IRS Form 1065, Schedule K-1, showing the Member's share of the Fund's income, gain, loss, deduction and credit for each tax year. Each Member generally will be required to report, on the Member's separate income tax return, such Member's share of Fund income, gain, loss, deduction and credit, whether or not any cash or other property is distributed to such Member by the Fund. In the absence of cash distributions from the Fund, a Member may need to use funds from other sources to pay taxes with respect to Fund income or gain that is allocated to that Member. Similarly, each Member generally will be able to report its share of tax losses of the Fund, if any, for tax purposes, subject to certain limitations (discussed below), even if the Member receives a cash distribution.

Members' Bases in Units

Generally, the initial tax basis of a Member's Units in the Fund will equal the amount of money paid for Units or contributed to the Fund, plus the Member's adjusted tax basis in any property contributed to the Fund, less liabilities of the Member that are assumed by the Fund, plus the Member's share of the Fund's liabilities determined in accordance with the Regulations under Section 752 of the Code. A Member's tax basis in its Units will be increased by the Member's allocable share of Fund taxable income and the amount of any additional Capital Contributions. A Member's tax basis in its Units will be decreased (but not below zero) by the Member's allocable share of Fund tax losses and the amount of any distribution to the Member by the Fund. A Member may deduct its allocable share of Fund tax losses only to the extent that such losses do not exceed the Member's adjusted tax basis in its Units. Losses in excess of basis may be carried forward until the Member's adjusted tax basis in its Units is increased above zero.

Allocations of Profits and Losses

The Fund's items of income, gain, loss, or credit actually recognized by the Fund for income tax purposes for each fiscal year will generally be allocated for income tax purposes among the Members in a manner intended to be consistent with the distribution of cash to the Members to the extent reasonably possible. It is possible that a Member will be allocated taxable income for a particular year even though the Member does not receive any distribution to pay the resulting income tax liability.

The Manager expects the allocation provisions in the LLC Agreement will have a "substantial economic effect" within the meaning of the Regulations under Section 704 of the Code. Accordingly, the Manager expects the allocation provisions in the LLC Agreement will be respected by the United States Internal Revenue Service.

Distributions

A Member generally will be taxed on the income and gain of the Fund that is allocated to the Member, whether or not any money or other property is distributed to the Member to pay the resulting federal income tax liability. A cash distribution generally will be treated as a return of capital to the extent of the Member's adjusted tax basis in its Units and will not constitute taxable income to that extent. A Member's adjusted tax basis in its Units will be reduced by the amount of such distributions, and any amounts of money distributed to a Member in excess of the Member's adjusted tax basis in its Units generally will be treated as gain from the sale or exchange of the Units. The federal income tax treatment of such gain will be subject to the considerations that are discussed under "Disposition of Units" below.

If the Fund distributes an asset other than money to a Member, the Member generally will not recognize any gain or loss until such time as the Member sells or otherwise disposes of the distributed asset. If the Member's adjusted tax basis in its Units exceeds the Fund's adjusted tax basis in the asset distributed, the Member's initial tax basis in that asset will be the same as the Fund's adjusted tax basis in the asset immediately before the distribution. If, however, the Member's adjusted tax basis in its Units is less than the Fund's adjusted tax basis in the asset distributed, the Member's initial tax basis in the asset will be the same as the Member's adjusted tax basis in its Units. The Member's gain or loss from a subsequent sale or other taxable disposition of such asset will equal the difference, if any, between the amount realized on the sale or other taxable disposition and the Member's adjusted tax basis in the asset. The character of such gain (as capital gain or ordinary income) will depend generally on the character of the asset in the hands of the Member and the character of certain assets inside the Fund. For purposes of determining whether capital gain from a Member's sale of such an asset will be treated as long-term capital gain or short-term capital gain, the Member generally may add the Fund's holding period of the asset to the Member's holding period of the asset.

Disposition of Units

In general, a Member will recognize gain or loss from a sale or other taxable disposition of Units in an amount equal to the difference, if any, between the amount realized on the sale or other taxable disposition and the Member's adjusted tax basis in the Units. If such Units are held as a capital asset of the Member, such gain or loss generally will be treated as long-term capital gain or loss; provided, that the Units was held for more than one year before the date of the sale or other taxable disposition. Some or all of the gain from a sale of Units may be characterized as ordinary income regardless of the Member's holding period of the Units; however, to the extent of the Member's share of the Fund's inventory and unrealized receivables (including for this purpose certain depreciation recapture).

Unrelated Business Taxable Income

Tax-Exempt Entities and qualified plans, including public charities, private foundations, IRAs and other qualified retirement plans, are subject to federal income tax on UBTI. The rates of such tax depend on the nature of the Tax-Exempt Entity or qualified plan. The UBTI rules are

complex, and their application depends in large part on the particular circumstances of each Tax-Exempt Entity or qualified plan that invests in the partnership and the precise nature of the Tax-Exempt Entity's investment.

As discussed above, a Member will include in income its distributive share of items of Fund income and losses. A Member that is a Tax-Exempt Entity or plan must categorize those items under the rules of Section 512 of the Code to determine whether they must be included in computing UBTI. Items of gross income that are generally excluded from UBTI include dividends, interest and gains or losses from the sale of property held for investment. Items of Fund income that would otherwise be excluded from UBTI, however, will generate UBTI if the income-producing property is considered "debt-financed property" within the meaning of Section 514 of the Code. Thus, it is expected that the property will constitute debt-financed property and will generate UBTI to an investor that is a Tax-Exempt Entity or qualified plan. In addition, if an investor that is a Tax-Exempt Entity or qualified plan borrows money to acquire its Units, those Units will be treated as debt-financed property. Also, it is expected that operating income of the Fund generally will give rise to UBTI.

The foregoing is intended only as a general discussion of UBTI. The UBTI rules are complex, and their application depends in large part on the particular circumstances of each Tax-Exempt Entity or qualified plan that invests in the Fund. Any Tax-Exempt Entity or qualified plan that is considering an investment in the Fund should consult with its tax adviser regarding the impact of such an investment on UBTI.

Dissolution and Liquidation of the Fund

Upon dissolution of the Fund, any remaining assets of the Fund may be sold, which may result in the Fund realizing taxable gain that would be allocated among Members. Distributions of cash or in-kind property in complete liquidation of the Fund generally will be treated first as a return of capital and thereafter as gain from the sale of Units, to the extent of the amount of money and the fair market value (determined as of the date of liquidation) of any assets distributed. Generally, upon liquidation of the Fund, each Member will recognize gain to the extent that the amount of money and the fair market value (determined as of the date of liquidation) of certain marketable securities distributed exceeds the Member's adjusted tax basis in the Units at the time of distribution. Any such gain generally will be considered as gain from the sale or exchange of Units, as described above.

Limitation on Use of Losses

Losses generated by "passive activities" generally are deductible only to the extent of income generated by passive activities. Generally, any interest in a limited liability company is treated as an interest in a passive activity for purposes of the passive-activity loss rules. Therefore, a Member's allocable share of all taxable income, gain or loss of the Fund would, under the general rule, be considered passive income, gain or loss, and a Member's ability to deduct net losses guaranteed by the Fund may be limited. In addition, a Member's ability to deduct net losses associated with debt of the Fund may be limited by the "at-risk" rules.

Returns and Tax Information

The Fund will annually furnish to Members sufficient information from its information return for Members to prepare their own federal and state income tax returns and reports. Because the Fund cannot provide this information until it has all necessary information with respect to its investments, a Member may be required to file for tax extensions in order to allow sufficient time for the completion of its income tax returns. The Fund's information returns will be prepared by independent certified public accountants selected by the Manager.

IRS Partnership Audit Rules

Under newly enacted partnership audit rules, in the event the IRS audits a Fund tax return and determines there is an understatement of income, the Fund itself generally would be liable for an imputed underpayment. The Fund may, however, elect to pass this liability through to the Members. If the Fund makes such an election, each Member may be liable for any underpayment of tax attributable to the Fund's taxable income for a particular year.

Disclosure of Reportable Transactions

A taxpayer who participates in a "reportable transaction" generally is required to attach a disclosure schedule to its U.S. federal income tax return disclosing such taxpayer's participation in the transaction. Subject to various exceptions, reportable transactions include, among other transactions, a transaction that results in a loss exceeding certain thresholds. If the Fund engages in any reportable transactions, certain U.S. investors may have disclosure obligations with respect to their investment in the Fund. Furthermore, a U.S. investor may have a disclosure obligation with respect to its interest in the Fund if the investor engages in a reportable transaction with respect to its interest in the Fund. Failure to comply with these and other reporting requirements could result in the imposition of significant penalties. U.S. investors should consult their own tax advisers regarding the potential applicability of any disclosure requirements to them.

State, Local and Foreign Taxation

The foregoing discussion does not address the state, local and foreign tax considerations of an investment in the Fund. Each prospective investor should consult with its own tax advisers for detailed information on state, local and foreign income tax consequences of making an investment in the Fund.

ANTI-MONEY LAUNDERING REGULATIONS

As part of the Fund's legal responsibility for the prevention of money laundering, the Manager and any affiliates, subsidiaries or associates may require a detailed verification of a Member's identity, any beneficial owner acquiring Units in the Fund, and the source of a payment.

The Manager reserves the right to request such information as is necessary to verify the identity of a subscriber and the underlying beneficial owner of a subscriber's or a Member's Units in the Fund. In the event of delay or failure by the subscriber or Member to produce any information required for verification purposes, the Manager may refuse to accept a subscription or Capital Contribution or may cause the withdrawal of any such Member from the Fund.

The Manager, by written notice to any Member, may suspend the payment of any withdrawal proceeds of such Member if the Manager reasonably deems it necessary to do so to comply with anti-money laundering regulations applicable to the Fund, the Manager or any of the Fund's other service providers. In the event a subscriber's subscription or Capital Contribution is not accepted by the Manager, any funds received will be returned without interest to the account from which the monies were originally debited.

Each subscriber and Member shall be required to make such representations to the Fund as the Fund or the Manager shall require in connection with such anti-money laundering programs, including, without limitation, representations to the Fund that such subscriber or Member is not a prohibited country, territory, individual or entity listed on the Web site of the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**"), and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programs. Such Member shall also represent to the Fund that amounts contributed by it to the Fund were not directly or indirectly derived from activities that may contravene federal, state or international laws and regulations. Under certain circumstances, the Manager may be obligated to report suspicious activities to governmental and bank authorities.

ADDITIONAL INFORMATION

Prospective investors are invited to contact the Manager to review any written materials or documents relating to this Offering or the Fund, including any financial information available concerning the Property, the intermediary entities, the LP, or the LP Interest. The Manager will answer all inquiries from prospective investors relative to this Offering and will provide additional information (to the extent that the Manager possesses such information or can acquire it without unreasonable effort or expense) necessary to verify the accuracy of any representations or information set forth in this Private Placement Memorandum. The Manager's principal office is located at Riverbend Management 11235 LLC, c/o Mike Zlotnik, 2167 E 21st Street, Suite 222, Brooklyn, NY 11229. Its telephone number is (917) 806-5029. The Manager can also be reached via email at mike@tempofunding.com.

NOTICE OF PRIVACY POLICY

The Fund collects nonpublic, personal data about Members and prospective investors from information it receives from (i) Subscription Agreements, (ii) information disclosed to the Manager through conversations or correspondence, and (iii) any additional information the Manager may request from prospective investors or Members. The Manager believes the collection of this information comes with the responsibility to manage it in a way that ensures the safety and privacy of the Fund's Members.

All information regarding the personal identity, account balance, financial status and other financial information of Members (collectively, "personal information") will be kept strictly confidential. The Fund maintains physical, electronic and operational safeguards to protect this information. Some of these safeguards include firewalls on the Fund's (or Manager's) information technology infrastructure, the use of account aliases on physical records and physical security measures taken to secure the Manager's offices.

In the normal course of business, it is sometimes necessary for the Fund to provide personal information about Members to the Manager, attorneys, accountants and auditors in furtherance of the Fund's business, and entities that provide a service on behalf of the Fund, such as banks, the Fund Administrator, software providers, or title companies. The Manager will only disclose personal information to these third parties if such parties agree or are otherwise bound to protect the personal information and use the personal information only for the purposes of providing services to the Fund.

Other than for the purposes discussed above, the Fund does not disclose any nonpublic, personal information of its Members unless the Fund is directed by the Member to provide it or the Fund is legally required to provide it to a governmental agency. Notwithstanding the foregoing, the Fund may disclose personal information to the Manager, who may use such information in connection with any explanation of services rendered to professional organizations to which the Manager or its affiliated persons belong.