CAPITAL SQUARE

TAX-ADVANTAGED
REAL ESTATE INVESTMENTS

CAPITAL SQUARE GLENDALE BFR, LLC

NORTHERN PARKWAY AND N. SARIVAL AVENUE | GLENDALE, ARIZONA

Opportunity to invest in the development of 320 single-family homes (102 detached villas + 218 townhomes) in Glendale, Arizona.

OFFERING OVERVIEW

Offering Size	$49,375,000
Minimum Investment Amount	$100,000
Estimated Construction Loan Leverage	65% Loan-to-cost (LTC)

PROJECT SUMMARY

Capital Square has partnered with Sunstone Two Tree to develop a build-for-rent single-family rental community, comprising 320 units on 29 acres in Glendale, Arizona. The project will include:

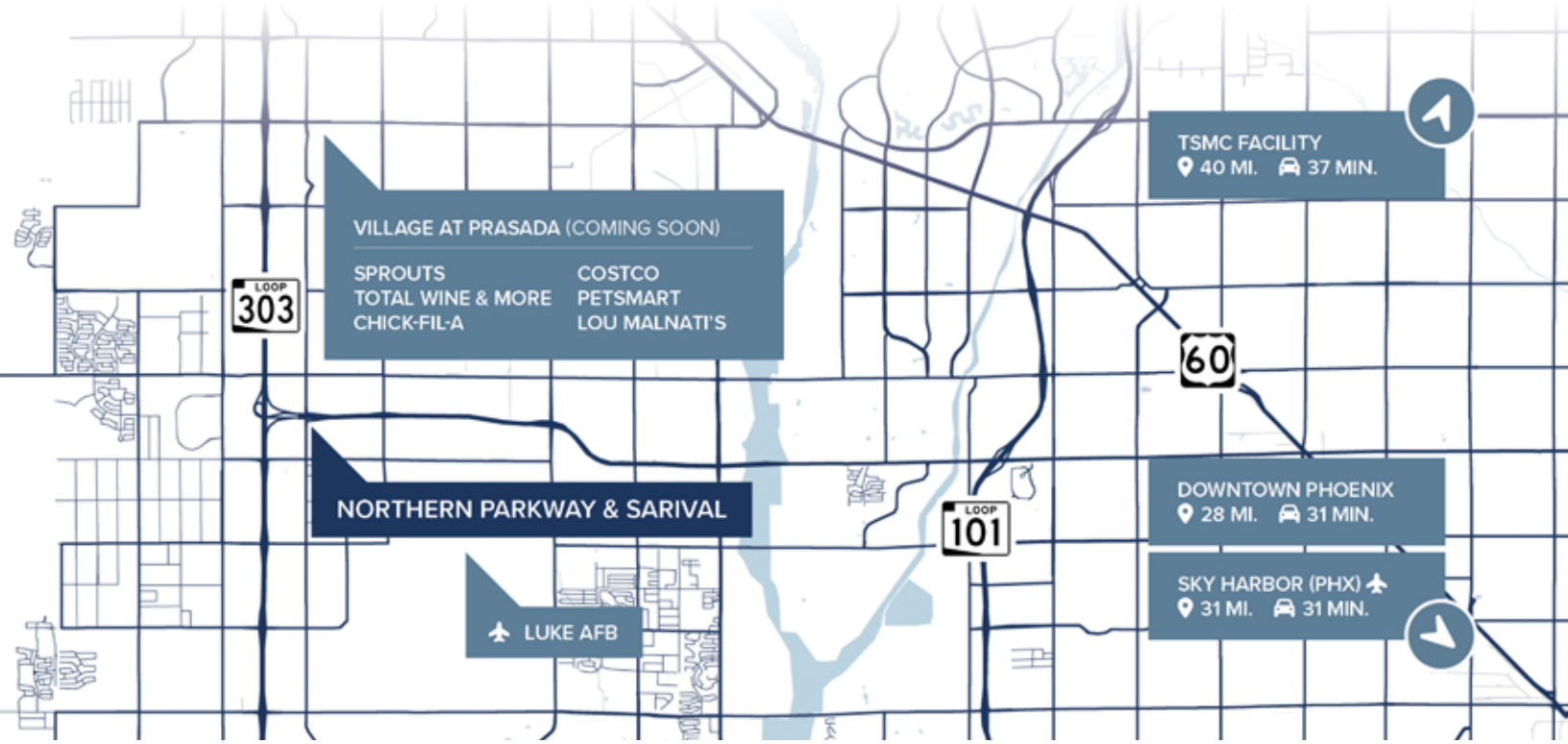
- 102 detached villas (three-and-four bedroom units, averaging 1,655 square feet)
- 218 townhomes (two-and-three bedroom units, averaging 1,257 square feet)
- Pool
- Spa
- Fitness center
- Pickleball courts
- Leasing office
- Grilling pavillion
- Gated entry
- Pocket parks
- Dog run
- Tot lot

INVESTMENT HIGHLIGHTS/KEY METRICS

- Phoenix is the 10th largest MSA in the U.S. with about five million residents[1] and a top single-family rental (SFR) investment market.
- Phoenix experienced record-setting rent growth since 2009 at 96% peak-to-trough equating to a 5% compound annual growth rate (CAGR) post-Great Financial Crisis.[2]
- Since March 2020, Phoenix experienced 30% SFR rent growth topping all other US markets.[3]
- Phoenix has added 380,000 jobs since April 2020.[4]
- Phoenix has the fourth highest rent growth in the country over the past three years (rents increased by 38%)[4]
- In 2022, the Phoenix MSA grew by 72,000 residents or about 200 people per day[1], with job and income growth (4% and 5% year-over-year, respectively) beating US average.[3]

*Subject to increase to $56,782,000 | Sources: 1. Census, 2022. | 2. CoStar, 2022. | 3. John Burns, 2023. | 4. Berkadia, 2023.

LOCATION OVERVIEW



AREA HIGHLIGHTS

- The property offers easy access to Downtown Phoenix (28 miles), Sky Harbor Airport (31 miles) and Luke Air Force Base (3.6 miles).
- The Glendale industrial submarket has 24.3 million square feet of existing and 16.3 million square feet of logistics space under construction, including a recently approved four million square foot logistics park just north of the property along Loop 303.[1]
- The property is roughly four miles southeast of The Village at Prasada, an outdoor shopping center currently under construction, containing Sprouts Farmers Market, Ulta Beauty, TJ Maxx, Marshalls, PetSmart and other desirable shops.
- Adjacent to the property will be a $450 million casino, Desert Diamond Casino, expected to deliver in 2024. The casino complex will feature a fine dining restaurant, food court, conference center, and amphitheater and employ about 1,300 people.
- The property is located 40 minutes from the $40 billion Taiwan Semiconductor Manufacturing Co. production hub currently under development.[2]
- Capital Square believes that an influx of new employees from the adjacent logistics hub and nearby chip manufacturing facility should increase demand for homes in the Phoenix MSA, including the property..
- The property is conveniently located near and districted to Luke Elementary and Shadow Ridge High School, the highest rated high school of those serving comparable properties.[3]

Sources: 1. Phoenix Business Journal, 2022. | 2. New York Times, 2022. | 3. Greatschools.com, 2022.

PHOENIX, ARIZONA

THE PARTNERS

Capital Square is a national real estate investment and development firm establishing a build-for-rent (BFR) development partnership with Sunstone Two Tree, beginning with this development in Glendale, Arizona, a suburb of Phoenix. Capital Square believes that the combination of its BFR team and successful fundraising record, and Sunstone Two Tree's local expertise, makes for an ideal partnership.

CAPITAL SQUARE

Capital Square is one of the nation's leading sponsors of tax-advantaged real estate investments and a developer of mixed-use multifamily communities. Since 2012, Capital Square has completed more than $7.5 billion in transaction volume. Capital Square's related entities provide a range of services, including due diligence, acquisition, loan sourcing, property management and disposition, for a growing number of high-net-worth investors, private equity firms, family offices and institutional investors.

SUNSTONE TWO TREE

Sunstone Two Tree is a renowned owner/developer of single-family rental home and apartment communities headquartered in Westlake Village, California. Sunstone Two Tree has a 2,000-home pipeline in various stages of development in high-growth markets across the Mountain West and Arizona. The firm was founded 11 years ago by John Maddox. Since its founding, Sunstone Two Tree has demonstrated a successful track record with 6 funds raised and 5,500 units acquired. Together, the team has an average tenure of 20 years and has completed $55 billion of real estate transactions.

ABOUT BUILD FOR RENT

Build-for-rent (or BFR) homes – communities of single-family homes built for the sole purpose of renting – have become an increasingly popular investment option among institutions and individual investors. Demand for this rental living option has grown rapidly because it offers the financial and leasing flexibility of a rental with the amenities and convenience of a professionally managed property for residents who seek a single-family home lifestyle. There is an estimated 340,000 BFR homes nationwide. Increasing demand for BFR led to a peak of 40,000 units under construction in early 2022.[1]

Sources: 1. CBRE, 2023.

CONSIDER THE RISKS

There will be occasions when the Manager and its affiliates may encounter potential conflicts of interest in connection with the Fund and its Members and there is no independent dispute resolution mechanism in place to resolve such conflicts. Potential investors should be aware that an investment in the Fund involves a significant degree of risk.

An investment in investor units involves substantial risks including, but not limited to, the following risk factors:

- The Offering will be made on a "best efforts" basis with no minimum investment raise requirement.
- The various risks associated with acquiring, financing, owning, constructing, leasing and operating single-family rental communities located in Glendale, Arizona.
- The investor units do not represent a diversified investment because the Fund's activities will be limited to the Property.
- Although Capital Square and its affiliates have extensive experience in acquiring, developing, improving and operating multi-family and commercial real estate, Capital Square has limited experience with single-family rental community properties. In addition, the Fund and the Manager were recently organized and do not have a significant operating history or significant assets.
- Investors will rely solely on the Manager to manage the Fund and Sunstone Two Tree to manage the Property; although the Fund and the Manager will have substantial voting rights with respect to major decisions affecting the Joint Venture, Sunstone Two Tree will have broad discretion to make decisions regarding the Property.
- Real estate development is an inherently risky activity.
- The Fund may not make capital distributions until the sale or refinancing of the Property, if at all.
- Real estate-related investments involve substantial risks.
- The Fund will pay substantial fees to Sunstone Two Tree, the Manager and their affiliates.
- The investor units will be highly illiquid; transferability of the investor units is restricted and withdrawals of capital contributions are prohibited.
- Substantial actual and potential conflicts of interest exist among the Fund, the Manager, Capital Square and their affiliates.
- An investor could lose all or a substantial portion of his investment in the Fund.
- Private placements are speculative.

Securities offered through WealthForge Securities, LLC, member FINRA/SIPC. Capital Square and WealthForge are not affiliated.

ABOUT CAPITAL SQUARE

Capital Square is a national investment sponsor specializing in tax-advantaged real estate offerings, including Delaware statutory trusts, qualified opportunity zone funds, a real estate investment trust (REIT) and development funds. The firm is a leading sponsor of Delaware statutory trust offerings for investors seeking replacement property as part of a Section 1031 exchange and cash investors. Capital Square sponsors turn-key real estate investment offerings with low investment minimums to provide investors access to larger and higher quality real estate than they would be able to acquire on their own.

FOR SALES & OTHER INFORMATION, CONTACT:

Capital Square | 4851 Lake Brook Drive | Glen Allen, VA 23060

Toll Free: 877.626.1031 | Phone: 804.290.7900 | Fax: 804.888.7776 | www.CapitalSq.com

LOUIS J. ROGERS
Co-Chief Executive Officer
Cell: 804.833.1031
LRogers@capitalsq.com

DREW JACKSON
Chief Distribution Officer
Cell: 804.615.5756
DJackson@capitalsq.com

MICHELE WIENS
National Accounts
Cell: 480.252.5687
MWiens@capitalsq.com

SUPPLEMENT #9 TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
CAPITAL SQUARE GLENDALE BFR, LLC

Dated: January 17, 2025

This Supplement #9 (the "**Supplement #9**") updates, through January 17, 2025, the information previously provided in the Confidential Private Placement Memorandum dated July 26, 2023 (the "**Memorandum**"), as supplemented by Supplement #1 dated September 25, 2023 ("**Supplement #1**"), Supplement #2 dated October 6, 2023 ("**Supplement #2**"), Supplement #3 dated November 10, 2023 ("**Supplement #3**"), Supplement #4 dated February 27, 2024 ("**Supplement #4**"), Supplement #5 dated April 23, 2024 ("**Supplement #5**"), Supplement #6 dated June 26, 2024 ("**Supplement #6**"), Supplement #7 dated September 9, 2024 ("**Supplement #7**"), and Supplement #8 dated December 18, 2024 ("**Supplement #8**"), which describes the offering (the "**Offering**") of membership interests (the "**Investor Units**") in Capital Square Glendale BFR, LLC (the "**Fund**"). The Offering of the Investor Units is made exclusively by the Memorandum. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Memorandum. This Supplement #9 is being furnished for your information on a confidential basis so that you may consider your investment in the Investor Units described herein and in the Memorandum and should be read together with the Memorandum.

SUMMARY OF CHANGES TO THE OFFERING

This Supplement #9 includes hereto, as Exhibit A, the Third Quarter 2024 Property Update.

The Memorandum will be deemed to include this Supplement #9, and to the extent the Memorandum and this Supplement #9 are inconsistent, the Memorandum will be deemed to be superseded by this Supplement #9 with respect to the inconsistency.

This Supplement #9 is not to be reproduced or used for any other purpose. No person has been authorized to make any statement concerning the Offering other than as set forth in the Memorandum, and any such statement, if made, should not be relied upon.

The Offering has not been approved or disapproved by the Securities and Exchange Commission or the securities regulatory authority of any state, nor has the Securities and Exchange Commission or any securities regulatory authority of any state passed upon the accuracy or adequacy of the Memorandum, including this Supplement #9. Any representation to the contrary is a criminal offense. The Investor Units will only be offered and sold to "accredited investors" as that term is defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended.

The Investor Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended, and such laws pursuant to registration or exemption therefrom. In making an investment decision, prospective Investors must rely on their own examination of the person or entity creating the Investor Units and the terms of the Offering, including the merits and risks involved. Additionally, there are significant risks associated with the Offering. See "RISK FACTORS" section of the Memorandum.

The Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The Memorandum has not been filed with the Securities and Exchange Commission, any securities administrator under state securities laws or any other governmental or self-regulatory authority. No governmental or self-regulatory authority has passed on the merits of the Offering or the adequacy of the Memorandum. Any representation to the contrary is unlawful.

Disclosure: Securities offered through WealthForge Securities, LLC, Member FINRA/SIPC. Capital Square and WealthForge Securities, LLC are separate entities. There are material risks associated with investing in Fund

properties and real estate securities including illiquidity, tenant vacancies, general market conditions and competition, lack of operating history, interest rate risks, the risk of new supply coming to market and softening rental rates, general risks of owning/operating commercial and multifamily properties, short term leases associated with multi-family properties, financing risks, potential adverse tax consequences, general economic risks, development risks, long hold periods, and potential loss of the entire investment principal. Past performance is not a guarantee of future results. Potential cash flow, returns and appreciation are not guaranteed. Consult your legal or tax professional regarding the specifics of your particular situation. This is not a solicitation or an offer to see any securities. Please read the Memorandum in its entirety, paying careful attention to the risk section prior to investing. Diversification does not guarantee profits or protect against losses. Private placements are speculative.

EXHIBIT A

THIRD QUARTER 2024 PROPERTY UPDATE

[See attached.]

Capital Square Glendale BFR, LLC

Northern Parkway and North Sarival Avenue | Glendale, Arizona 85340

INVESTOR REPORT | THIRD QUARTER 2024


*Rendering

Dear Capital Square Investor:

We encourage you to log into the investor portal now to be ready for the upcoming tax season. Using the portal will make it quick and easy to access year-end tax packages, as well as quarterly reports, distribution statements and property updates. If this is your first time using the portal, it only takes a moment to log in. Over 80% of investors are using the portal.

LLC investors can expect K-1 tax documents to be available in March 2025. DST tax documents will be available in the portal on January 31, 2025.

With interest rates projected to decline and strong absorption of new housing supply, Capital Square is anticipating a strong market in 2025, and a shortage in many markets in 2026 and beyond. This is an excellent time to invest in residential real estate.

Capital Square continues to move forward with investors-first at our core, enabling more investors to benefit from our many tax-advantaged real estate programs, including:

- DSTs for tax deferral on the sale of real estate under Section 1031,
- Opportunity Zone Funds for deferral/exclusion of capital gains from sale of any asset,
- LLCs for higher return potential from investing in real estate development,
- Common stock investment in Housing Trust, a real estate investment trust, for stable dividends and appreciation, and
- 9% preferred stock in Housing Trust for investors desiring maximum income.

Please contact your registered representative for additional information on our diverse offerings.

If you have any questions, our investor relations team is always here for you, at IR@CapitalSq.com or (888) 818-1031. We appreciate your continued support.

Louis Rogers
Founder & Co-Chief Executive Officer

OFFERING INFORMATION

OFFERING SIZE:	$49,170,000[1]
LAND PURCHASE PRICE:	$15,101,429[2]
LOAN:	$67,250,000
DEVELOPMENT COST:	$103,477,607
LTC:	65%

PROPERTY TYPE:	Build-for-Rent
LOCATION:	Northern Parkway and North Sarival Avenue Glendale, Arizona
UNITS:	320 single-family homes and townhomes

PROJECT SCOPE

Capital Square has partnered with Sunstone Two Tree to develop a build-for-rent single-family rental community, comprising 320 units on 29 acres in Glendale, Arizona. The project will include 102 detached villas (three-and-four bedroom units, averaging 1,655 square feet), 218 townhomes (two-and-three bedroom units, averaging 1,257 square feet), pool, spa, fitness center, pickleball courts, leasing office, grilling pavillion, gated entry, pocket parks, dog run and a tot lot.

MARKET UPDATE

A 3.9 million single-family home shortage in the U.S. paired with elevated costs of home ownership have continued to fuel the build-for-rent (BFR) asset class. The average monthly mortgage rate for a new home totaled 52% higher than average monthly rent payments as of Q2 2024, driving rental demand in the sector. On average, BFR communities in the U.S. are in the mid-90%'s occupied and have outperformed traditional apartment occupancy since the end of 2021. Rent growth for BFR communities was positive throughout the second quarter, increasing by 1.5%. According to the National Rental Housing Council, the BFR segment has grown at an annual rate of over 30% in recent years, outpacing all other residential categories. High-growth regions such as the Sun Belt are driving further interest from investors and will continue positioning BFR as a critical segment of residential real estate.

Matt Vance, Travis Deese, "Build-to-Rent Residential Market Overview," CBRE, October 16, 2024.

PROJECT TIMELINE

	PROJECTED
Construction Start	Completed
Horizontal Construction	Completed
Vertical Start	Completed
First Delivery	Q2 2025
Final Certificate of Occupancy	Q2 2026
Stabilization	Q4 2026
Sell Date	**3 Months Post Stabilization**

[1] In accordance with the terms of the Offering, the Maximum Offering is subject to increase from $49,170,000 to $56,782,000.
[2] Includes land closing costs, acquisition financing costs and related transaction costs.

PROJECT UPDATE

- The project is meaningfully de-risked and ahead of schedule with $15 million in anticipated total savings
- The project has:
  - In-place construction financing with Arbor.
  - Full entitlements/permits with $1 million in realized savings, including water.
  - Fully completed horizontal construction with over $2.5 million in realized savings. Vertical construction is 99% bought out and is anticipated to be under-budget.
- Vertical construction bids were received 14% lower than initially underwritten; and began in the fourth quarter of 2024.
- Initial units are projected to be delivered in the second quarter of 2025, with the final units delivered in the second quarter of 2026.

INCOME STATEMENT

Year to Date – as of September 30, 2024

CS GLENDALE BFR, LLC

INCOME	**$0**
EXPENSES	
Bridge Loan Interest	547,104
Asset Management Fee	57,319
Administrative and Accounting Fee	-
Equity Placement Fee	149,605
General and Administrative Expenses	21,945
TOTAL EXPENSES	**$775,972**
NET INCOME/(LOSS)	**($775,972)**

INCOME STATEMENT

Year to Date – as of September 30, 2024

NORTHERN PARKWAY BTR, LLC - JV PARTNER

INCOME	
Rental Income	-
Other Income	-
TOTAL REVENUE	**-**
EXPENSES	
Operating	-
General and Administrative	-
TOTAL EXPENSES	**-**
NET INCOME/(LOSS)	**-**

BALANCE SHEET

as of September 30, 2024

CS GLENDALE BFR, LLC

ASSETS		**LIABILITIES AND EQUITY**	
Cash	$368,721	Current Liabilities	$4,538,644
Investments	10,070,656	Capital Contributions	7,706,900
		Syndication Costs (Cost of Equity)	(745,432)
		Retained Earnings	(1,060,735)
TOTAL ASSETS	**$10,439,377**	**TOTAL LIABILITIES AND EQUITY**	**$10,439,377**

BALANCE SHEET

as of September 30, 2024

NORTHERN PARKWAY BTR, LLC - JV PARTNER

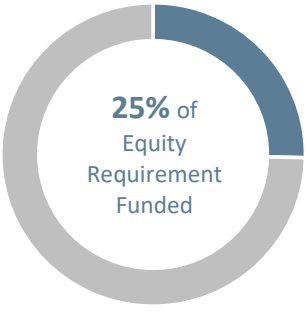
ASSETS		LIABILITIES AND EQUITY	
Cash	$204,617	Current Liabilities	$2,383,610
Construction in Progress	33,863,016	Construction Loan	20,569,932
		Capital Contributions - CS Glendale BFR	10,070,656
		Capital Contributions - Capital Square	839,221
		Capital Contributions - Sunstone Two Tree BTR	279,740
		Retained Earnings	(75,526)
TOTAL ASSETS	**$34,067,633**	**TOTAL LIABILITIES AND EQUITY**	**$34,067,633**

DEVELOPMENT COSTS

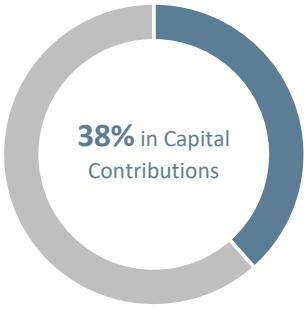
as of September 30, 2024

	Projected[1] Budget	Actual Cost-to-Date	Variance to Date
SITE ACQUISTION COSTS	$15,063,969	$15,101,429	($37,460)
HARD COSTS	71,400,588	9,832,013	61,568,575
SOFT COSTS	8,256,897	7,640,022	616,875
TOTAL DEVELOPMENT COSTS BEFORE FINANCING	**$94,721,454**	**$32,573,464**	**$62,147,990**
FINANCING COSTS	8,756,153	1,289,553	7,466,600
TOTAL DEVELOPMENT COSTS	**$103,477,607**	**$33,863,016**	**$69,614,591**

[1] Per Supplement #7 dated September 9, 2024.



As of September 30, 2024



As of September 30, 2024

CAPITAL SQUARE'S VISION IS TO DEVELOP AND MANAGE THE FUTURE, ONE PROPERTY AT A TIME.

CAPITAL SQUARE

INVEST

Capital Square is one of the nation's leading sponsors of tax-advantaged real estate investments.

BUILD

We develop multifamily and build-for-rent communities in the South, Southeast and Mountain West.

MANAGE

Capital Square Living maximizes revenue, increases operating efficiency and reduces costs.

INK's office design, within our Scott's Collection multifamily community, earned honorable mention at the **2024 International Interior Design Association (IIDA) awards**.

Capital Square has now been recognized by Inc. 5000 as one of the **fastest-growing companies** in the nation for eight consecutive years.

Jessica Dodt-Escobar, our Vice President of Investor Communications & REIT Operations, is a finalist for "**Maverick of the Year**" at the Stevie Awards for Women in Business.

ABOUT CAPITAL SQUARE

To view current open offerings, visit
https://capitalsq.com/portfolio-offerings/

Capital Square builds legacies for investors, team members and communities – enabling the discovery and implementation of tax-advantaged real estate investments with unwavering integrity, developing best-in-class multifamily communities synonymous with value, and managing multifamily properties with a drive for excellence.

As one of the nation's leading sponsors of tax-advantaged real estate investments, Capital Square's offerings include Delaware statutory trusts (DSTs), qualified opportunity zone funds, development funds and a real estate investment trust (REIT). Capital Square sponsors turn-key real estate investment offerings with low investment minimums to provide investors access to larger and higher quality real estate than they would be able to acquire on their own.

CONTACT INVESTOR RELATIONS
IR@CapitalSq.com | 888.818.1031 | www.CapitalSq.com
Investor Portal: Investors.CapitalSq.com

CAPITAL SQUARE HEADQUARTERS
4851 Lake Brook Drive, Glen Allen, VA 23060

WASHINGTON, D.C. OFFICE
14 Ridge Square NW, 4th Floor, Washington, DC 20016

CALIFORNIA OFFICE
4400 MacArthur Boulevard, Suite 720, Newport Beach, CA 92660

CONNECTICUT OFFICE
210 Sound Beach Avenue, Old Greenwich, CT 06870

SUPPLEMENT #8 TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
CAPITAL SQUARE GLENDALE BFR, LLC

Dated: December 18, 2024

This Supplement #8 (the "**Supplement #8**") updates, through December 18, 2024, the information previously provided in the Confidential Private Placement Memorandum dated July 26, 2023 (the "**Memorandum**"), as supplemented by Supplement #1 dated September 25, 2023 ("**Supplement #1**"), Supplement #2 dated October 6, 2023 ("**Supplement #2**"), Supplement #3 dated November 10, 2023 ("**Supplement #3**"), Supplement #4 dated February 27, 2024 ("**Supplement #4**"), Supplement #5 dated April 23, 2024 ("**Supplement #5**"), Supplement #6 dated June 26, 2024 ("**Supplement #6**"), and Supplement #7 dated September 9, 2024 ("**Supplement #7**"), which describes the offering (the "**Offering**") of membership interests (the "**Investor Units**") in Capital Square Glendale BFR, LLC (the "**Fund**"). The Offering of the Investor Units is made exclusively by the Memorandum. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Memorandum. This Supplement #8 is being furnished for your information on a confidential basis so that you may consider your investment in the Investor Units described herein and in the Memorandum and should be read together with the Memorandum.

SUMMARY OF CHANGES TO THE OFFERING

This Supplement #8 extends the Offering until the earlier of (i) 100% of the Investor Units have been sold or (ii) June 30, 2025, which date may be extended in the sole and absolute discretion of the Manager.

PLAN OF DISTRIBUTION

The Manager intends to continue the Offering until the earlier of (i) 100% of the Investor Units have been sold or (ii) June 30, 2025, which date may be extended in the sole and absolute discretion of the Manager.

The Memorandum will be deemed to include this Supplement #8, and to the extent the Memorandum and this Supplement #8 are inconsistent, the Memorandum will be deemed to be superseded by this Supplement #8 with respect to the inconsistency.

This Supplement #8 is not to be reproduced or used for any other purpose. No person has been authorized to make any statement concerning the Offering other than as set forth in the Memorandum, and any such statement, if made, should not be relied upon.

The Offering has not been approved or disapproved by the Securities and Exchange Commission or the securities regulatory authority of any state, nor has the Securities and Exchange Commission or any securities regulatory authority of any state passed upon the accuracy or adequacy of the Memorandum, including this Supplement #8. Any representation to the contrary is a criminal offense. The Investor Units will only be offered and sold to "accredited investors" as that term is defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended.

The Investor Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended, and such laws pursuant to registration or exemption therefrom. In making an investment decision, prospective Investors must rely on their own examination of the person or entity creating the Investor Units and the terms of the Offering, including the merits and risks involved. Additionally, there are significant risks associated with the Offering. See "RISK FACTORS" section of the Memorandum.

The Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The Memorandum has not been filed with the Securities and Exchange Commission, any securities administrator under state securities laws or any other governmental or self-

regulatory authority. No governmental or self-regulatory authority has passed on the merits of the Offering or the adequacy of the Memorandum. Any representation to the contrary is unlawful.

SUPPLEMENT #7 TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
CAPITAL SQUARE GLENDALE BFR, LLC

Dated: September 9, 2024

This Supplement #7 (the "**Supplement #7**") updates, through September 9, 2024, the information previously provided in the Confidential Private Placement Memorandum dated July 26, 2023 (the "**Memorandum**"), as supplemented by Supplement #1 dated September 25, 2023 ("**Supplement #1**"), Supplement #2 dated October 6, 2023 ("**Supplement #2**"), Supplement #3 dated November 10, 2023 ("**Supplement #3**"), Supplement #4 dated February 27, 2024 ("**Supplement #4**"), Supplement #5 dated April 23, 2024 ("**Supplement #5**"), and Supplement #6 dated June 26, 2024 ("**Supplement #6**"), which describes the offering (the "**Offering**") of membership interests (the "**Investor Units**") in Capital Square Glendale BFR, LLC (the "**Fund**"). The Offering of the Investor Units is made exclusively by the Memorandum. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Memorandum. This Supplement #7 is being furnished for your information on a confidential basis so that you may consider your investment in the Investor Units described herein and in the Memorandum and should be read together with the Memorandum.

SUMMARY OF CHANGES TO THE OFFERING

This Supplement #7 announces that the Manager, in collaboration with Sunstone Two Tree, successfully found approximately $16 million of cost savings in the Project budget.

This Supplement #7 announces that the Fund has issued an updated Pro Forma which incorporates the revisions to the budget as well as adjustments to the rent assumptions, yield on cost and exit valuation.

Finally, this Supplement #7 provides an update on the status of construction.

BUSINESS PLAN

Construction Update

The Manager and Sunstone Two Tree have made significant progress on the Project since the last construction update in Supplement #5. Vertical bids have been received and came in approximately 14% lower than what was underwritten in the Pro Forma attached to Supplement #5. In addition, the Project's horizontal construction budget is 100% bought out with approximately $3 million of savings identified versus what was previously projected. The impact fees also came in approximately $1 million lower than expected. In total, the Manager, in collaboration with Sunstone Two Tree, successfully found approximately $16 million of cost savings in the Project budget.

As a result of these cost savings, the Project budget is now estimated at approximately $103,477,607, which includes approximately $15,063,969 for costs related to the acquisition of the Property, approximately $69,711,012 in hard costs, approximately $780,974 in furniture, fixtures and equipment, approximately $8,256,897 in soft costs, approximately $1,737,200 in financing costs, approximately $7,018,953 in capitalized interest and approximately $908,602 in reserves.

Construction Timeline

Vertical construction is now expected to begin one month earlier than anticipated. Accordingly, Project milestones achieved to date and an updated tentative schedule going forward, which is subject to change, are delineated below:

- Property Acquisition: September 22, 2023
- Closing of Construction Loan: September 22, 2023
- End of Predevelopment Period: October 2023
- Start of Horizontal Construction: October 2023

- Start of Vertical Construction: September 2024
- Start of Lease-Up: June 2025
- End of Construction: April 2026
- Stabilization: December 2026
- Sale/Disposition: September 2027

PRO FORMA

The Fund has issued an updated Pro Forma which incorporates the revisions to the budget discussed above, as well as adjustments to the rent assumptions, yield on cost and exit valuation to account for potential volatility in the capital markets. Therefore, the Pro Forma that was attached to the Memorandum as Exhibit C is hereby deleted in its entirety and replaced in its entirety with the Pro Forma attached hereto.

The table below compares the hypothetical returns for Investors who make equity investments of $1,000,000 outside of the Advantaged Investor Program versus those who make equity investments under the Advantaged Investor Program incentive, based on the assumptions in the attached updated Pro Forma:

Hypothetical Returns on $1,000,000 Commitment

	Standard Investor (1)	**Advantaged Investor Program**
IRR:	18.6%	21.9%
Total Return: (2)	167.5%	181.9%
Profit:	$675,083	$806,141

(1) "Standard Investor" means an investment subject to all the fees and costs listed on the "Investor Load Summary" page of the attached Pro Forma.

(2) The "Total Return" represents the ratio of total sales proceeds and distributions through the life of the asset over the total initial equity invested.

Despite the changes to the Pro Forma, the projected net returns to the Investors in the updated Pro Forma remain largely consistent with the projected net returns to the Investors in prior models.

The Fund has based these hypothetical returns on its current expectations and projections about future events. These hypothetical returns are subject to risks, uncertainties and assumptions about the Fund, including, among other things, factors discussed under the heading "Risk Factors" in the Memorandum. Although the Fund believes the expectations reflected in these hypothetical returns are based upon reasonable assumptions, the Fund cannot assure Investors that its expectations will be attained or that any deviations will not be material. See the sections in the Memorandum entitled "RISKS RELATED TO FORWARD-LOOKING STATEMENTS" and "RISK FACTORS."

PLAN OF DISTRIBUTION

As a result of the revisions to the budget, the Manager projects that it will only need $41,136,000 of Investor Units to achieve the Fund's objectives and expects to close out the Offering once it receives that amount of equity investments in the Fund. The updated Pro Forma that is attached hereto as Exhibit C illustrates the projected returns to Investors assuming a Maximum Offering Amount of $41,136,000. Notwithstanding the foregoing, the Manager reserves the right to increase the Maximum Offering Amount to $56,782,000, and to raise additional equity or debt capital in or alongside the Fund or consent to investments in the Joint Venture by one or more additional funds, as the Manager deems necessary or advisable in order to develop the Project, which additional capital may be funded by third parties or affiliates of the Manager, including employees of Capital Square.

The Memorandum will be deemed to include this Supplement #7, and to the extent the Memorandum and this Supplement #7 are inconsistent, the Memorandum will be deemed to be superseded by this Supplement #7 with respect to the inconsistency.

This Supplement #7 is not to be reproduced or used for any other purpose. No person has been authorized to make any statement concerning the Offering other than as set forth in the Memorandum, and any such statement, if made, should not be relied upon.

The Offering has not been approved or disapproved by the Securities and Exchange Commission or the securities regulatory authority of any state, nor has the Securities and Exchange Commission or any securities regulatory authority of any state passed upon the accuracy or adequacy of the Memorandum, including this Supplement #7. Any representation to the contrary is a criminal offense. The Investor Units will only be offered and sold to "accredited investors" as that term is defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended.

The Investor Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended, and such laws pursuant to registration or exemption therefrom. In making an investment decision, prospective Investors must rely on their own examination of the person or entity creating the Investor Units and the terms of the Offering, including the merits and risks involved. Additionally, there are significant risks associated with the Offering. See "RISK FACTORS" section of the Memorandum.

The Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The Memorandum has not been filed with the Securities and Exchange Commission, any securities administrator under state securities laws or any other governmental or self-regulatory authority. No governmental or self-regulatory authority has passed on the merits of the Offering or the adequacy of the Memorandum. Any representation to the contrary is unlawful.

EXHIBIT C

PRO FORMA

Standard Investor Projected Cash Flows							
			T-0	Year 1	Year 2	Year 3	Year 4
			Jan-23	Jan-24	Jan-25	Jan-26	Jan-27
Equity Investment			($9,900,000)	($1,923,108)	($14,844,959)	($5,936,780)	–
Property Cash Flow			–	–	–	$334,203	$67,877,366
Gross Fund Cash Flow			($9,900,000)	($1,923,108)	($14,844,959)	($5,602,577)	$67,877,366
JV Load							
Sponsor Fees			($652,097)	($822,704)	($822,704)	($822,704)	($822,704)
Selling Costs			($4,113,600)	–	–	–	–
Carrying Costs			–	($473,837)	–	–	–
Standard Investor Cash Flow	**IRR:**	**18.6%**	($14,665,697)	($3,219,649)	($15,667,663)	($6,425,281)	$67,054,662
	Total Return:	**168%**					
	Profit:	**$27,076,372**					
Advantaged Investor Program - First $10mm Committed							
Cash Flow to Standard Investor			($3,656,531)	($802,740)	($3,906,347)	($1,601,986)	$16,718,433
Equity Placement Fee Break			$162,584	–	–	–	–
Pro-rata Share of Sponsor Promote			–	–	–	–	$1,148,002
Advantaged Investor Cash Flow	**IRR:**	**21.9%**	($3,493,947)	($802,740)	($3,906,347)	($1,601,986)	$17,866,435
	Total Return:	**182%**					
	Profit:	**$8,061,415**					

Note: Advantaged Investor Program offers first $10mm of equity invested (i) a 2% fee discount and (ii) pro-rata profit share of Sponsor promote.

Standard Investor Projected Cash Flows - $100k Commitment							
			T-0	Year 1	Year 2	Year 3	Year 4
			Jan-23	Jan-24	Jan-25	Jan-26	Jan-27
Equity Investment			($24,683)	($4,795)	($37,012)	($14,802)	–
Property Cash Flow			–	–	–	$833	$169,236
Gross Fund Cash Flow			($24,683)	($4,795)	($37,012)	($13,969)	$169,236
JV Load							
Sponsor Fees			($1,626)	($2,051)	($2,051)	($2,051)	($2,051)
Selling Costs			($10,256)	–	–	–	–
Carrying Costs			–	($1,181)	–	–	–
Standard Investor Cash Flow	**IRR:**	**18.6%**	($36,565)	($8,027)	($39,063)	($16,020)	$167,184
	Total Return:	**168%**					
	Profit:	**$67,508**					
Advantaged Investor Program Projected Cash Flows - $100k Commitment							
Cash Flow to Standard Investor			($36,565)	($8,027)	($39,063)	($16,020)	$167,184
Equity Placement Fee Break			$1,626				
Pro-rata Share of Sponsor Promote			–	–	–	–	$11,480
Advantaged Investor Cash Flow	**IRR:**	**21.9%**	($34,939)	($8,027)	($39,063)	($16,020)	$178,664
	Total Return:	**182%**					
	Profit:	**$80,614**					

Note: Advantaged Investor Program offers first $10mm of equity invested (i) a 2% fee discount and (ii) pro-rata profit share of Sponsor promote.

Standard Investor Projected Cash Flows - $1mm Commitment							
			T-0	Year 1	Year 2	Year 3	Year 4
			Jan-23	Jan-24	Jan-25	Jan-26	Jan-27
Equity Investment			($246,832)	($47,948)	($370,123)	($148,019)	–
Property Cash Flow			–	–	–	$8,333	$1,692,355
Gross Fund Cash Flow			($246,832)	($47,948)	($370,123)	($139,686)	$1,692,355
JV Load							
Sponsor Fees			($16,258)	($20,512)	($20,512)	($20,512)	($20,512)
Selling Costs			($102,563)	–	–	–	–
Carrying Costs			–	($11,814)	–	–	–
Standard Investor Cash Flow	**IRR:**	**18.6%**	($365,653)	($80,274)	($390,635)	($160,199)	$1,671,843
	Total Return:	**168%**					
	Profit:	**$675,083**					
Advantaged Investor Program Projected Cash Flows - $1mm Commitment							
Cash Flow to Standard Investor			($365,653)	($80,274)	($390,635)	($160,199)	$1,671,843
Equity Placement Fee Break			$16,258				
Pro-rata Share of Sponsor Promote			–	–	–	–	$114,800
Advantaged Investor Cash Flow	**IRR:**	**21.9%**	($349,395)	($80,274)	($390,635)	($160,199)	$1,786,643
	Total Return:	**182%**					
	Profit:	**$806,141**					

Note: Advantaged Investor Program offers first $10mm of equity invested (i) a 2% fee discount and (ii) pro-rata profit share of Sponsor promote.

Return Impact of Advantaged Investor Program - $1mm Commitment		
	Standard Investor	Advantaged Investor
IRR:	18.6%	21.9%
Total Return:	167.5%	181.9%
Profit:	$675,083	$806,141

Note: Advantaged Investor Program offers first $10mm of equity invested (i) a 2% fee discount and (ii) pro-rata profit share of Sponsor promote.

Investor Load Summary			
Sponsor Fees			
Accounting Fee	$0	Fixed, annual	0
AM Fee	2.00%	Annual	(3,290,816)
Equity Placement Fee	2.00%	One time	(652,097)
Selling Costs			
Organization and Offering Expenses	1.00%	One time	(411,360)
Selling Commissions	6.50%	One time	(2,673,840)
Marketing and Due Diligence Allowance	1.00%	One time	(411,360)
Managing Broker-Dealer Fee	0.50%	One time	(205,680)
Wholesaling Fee	1.00%	One time	(411,360)
Carrying Costs*			(473,837)
Load			(8,530,350)

*Accrued only during fundraising period

Note: Equity Placement Fee waived for **Advantaged Investors** committing the first $10mm of equity, in addition to pro-rata share of Sponsor promote.

Note: Advantaged Investor Program offers first $10mm of equity invested (i) a 2% fee discount and (ii) pro-rata profit share of Sponsor promote.

Estimated Use of Proceeds		
	Amount	Percentage of Gross Proceeds
Gross Offering Proceeds (Rounded '000)	$41,136,000	100.0%
Organization and Offering Expenses	$411,360	1.00%
Selling Commissions	$2,673,840	6.50%
Marketing and Due Diligence Allowance	$411,360	1.00%
Managing Broker-Dealer Fee	$205,680	0.50%
Wholesaling Fee	$411,360	1.00%
Amount Available for Investment*	$37,022,400	90.0%
Total Application (Rounded '000)	$41,136,000	100.0%

*Includes Sponsor Fees and Carrying Costs

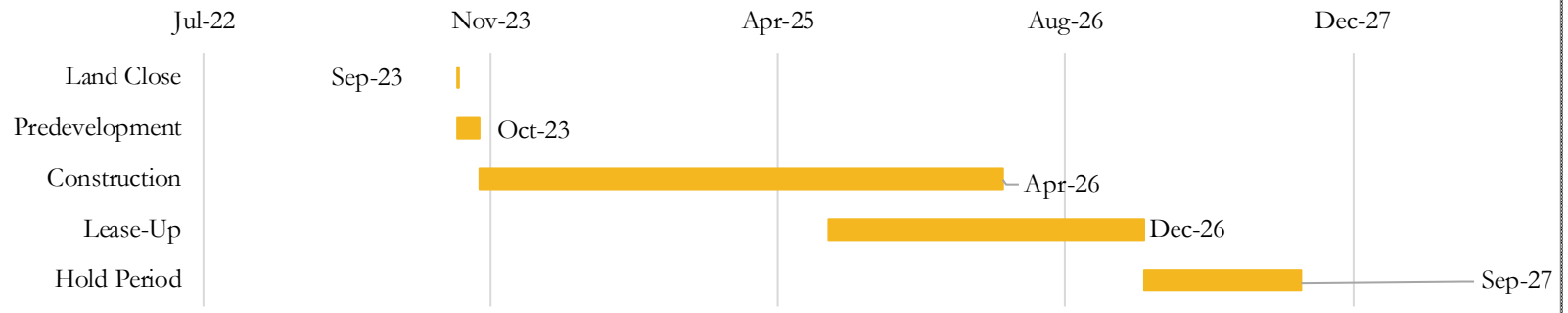
Project Information	
Project	Northern Pkwy and Sarival
Location	Glendale
Asset Class	Resi Development
Land Close	9/21/2023
Land SF	1,262,318
Acres	28.98
Zoning	Commercial / MF - 12 Maxdu/AC

Sources & Uses					
Capital Uses		**$ Amt.**	**% of Tot.**	**$ / Unit**	**$ / RSF**
Land + Tax Costs		15,063,969	14.6%	$47,075	$34.02
Hard Costs		69,711,012	67.4%	$217,847	$157.43
Owner Controlled		--	--	--	--
FF&E		780,974	0.8%	$2,441	$1.76
Soft Costs		8,256,897	8.0%	$25,803	$18.65
Financing Costs		1,737,200	1.7%	$5,429	$3.92
Capitalized Interest		7,018,953	6.8%	$21,934	$15.85
Contingency		--	--	--	--
Reserves		908,602	0.9%	$2,839	$2.05
Total Capital Uses		**103,477,607**	**100.0%**	**$323,368**	**$233.68**
Capital Sources		**$ Amt.**		**$ / Unit**	**$ / RSF**
Construction Loan		67,250,000	65.0%	$210,156	$151.87
LP	90.0%	32,604,847	31.5%	$101,890	$73.63
Two Tree	10.0%	3,622,761	3.5%	$11,321	$8.18
Total Capital Sources		**103,477,607**	**100.0%**	**$323,368**	**$233.68**

Unit Mix								
Type	**BR**	**BA**	**Units**	**% of Tot.**	**Sq. Ft.**	**Total**	**Rent**	**Rent / SF**
Detached 3 Bed	3	2.5	12	3.8%	1,559	18,708	$2,549	$1.64
Detached 4 Bed	4	2.5	90	28.1%	1,668	150,120	$2,799	$1.68
Townhome 2 Bed	2	2.5	92	28.8%	1,054	96,968	$2,049	$1.94
Townhome 3 Bed Small	3	2.5	48	15.0%	1,265	60,720	$2,249	$1.78
Townhome 3 Bed Large	3	2.5	78	24.4%	1,491	116,298	$2,324	$1.56
Total / Weighted Avg.			**320**	**100.0%**	**1,384**	**442,814**	**$2,376**	**$1.72**
								$1.97

Pro-Forma Summary								
			Untrended			**Stab. Yr. 1: 10/26 - 09/27**		
			$ Amt.	**$ / Unit**	**$ / RSF**	**$ Amt.**	**$ / Unit**	**$ / RSF**
Residential Income			9,122,760	$28,509	$20.60	10,465,912	$32,706	$23.64
Stabilized Concessions			--	--	--	(53,727)	($168)	($0.12)
Net Effective Rent	**Variable**		**9,122,760**	**$28,509**	**$20.60**	**10,412,185**	**$32,538**	**$23.51**
Storage Income	Y		--	**--**	--	--	--	--
RUBS	Y		486,400	$1,520	$1.10	531,502	$1,661	$1.20
Parking	Y		--	--	--	--	--	--
Other Income	Y		627,200	$1,960	$1.42	685,358	$2,142	$1.55
Total Income			**10,236,360**	**$31,989**	**$23.12**	**11,629,045**	**$36,341**	**$26.26**
Vacancy & Credit Loss & Empl Unit			(569,398)	($1,779)	($1.29)	(646,857)	($2,021)	($1.46)
Effective Gross Revenue			**9,666,962**	**$30,209**	**$21.83**	**10,982,188**	**$34,319**	**$24.80**
	Variable							
Payroll	N		480,000	$1,500	$1.08	524,509	$1,639	$1.18
Marketing	N		80,000	$250	$0.18	87,418	$273	$0.20
Utilities	Y		512,000	$1,600	$1.16	559,476	$1,748	$1.26
R&M	Y		96,000	$300	$0.22	104,902	$328	$0.24
Turnover	Y		96,000	$300	$0.22	104,902	$328	$0.24
Contract Services	N		112,000	$350	$0.25	122,385	$382	$0.28
Real Estate Taxes	N	5.00%	638,469	$1,995	$1.44	670,392	$2,095	$1.51
Insurance	N		80,000	$250	$0.18	87,418	$273	$0.20
Management Fee			241,674	$755	$0.55	274,555	$858	$0.62
Administration and HOA	N		64,000	$200	$0.14	69,935	$219	$0.16
Reserves			48,000	$150	$0.11	52,451	$164	$0.12
Total Op. Expenses			**2,448,143**	**$7,650**	**$5.53**	**2,658,342**	**$8,307**	**$6.00**
Net Operating Income			**7,218,820**	**$22,559**	**$16.30**	**8,323,846**	**$26,012**	**$18.80**
ROC			***75%***		***7.0%***			***8.0%***
Controllable Expenses			*1,488,000*	*$4,650*	*$3.36*	*1,625,977*	*$5,081*	*$3.67*
Uncontrollable Expenses			*960,143*	*$3,000*	*$2.17*	*1,032,365*	*$3,226*	*$2.33*

Development Timeline



Returns Summary (65.0% LTC, 48 Mo Hold, 5.50% Exit Cap)

Exit			Unlevered	Levered
Sale $	$158,317,715	IRR	22.6%	37.1%
/unit	$494,743	Peak Equity	93,223,162	36,227,607
/psf	$358	Net Profit	74,095,404	55,304,121
Date	30-Sep-27	CFx	1.79x	2.53x

SUPPLEMENT #6 TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
CAPITAL SQUARE GLENDALE BFR, LLC

Dated: June 26, 2024

This Supplement #6 (the "**Supplement #6**") updates, through June 26, 2024, the information previously provided in the Confidential Private Placement Memorandum dated July 26, 2023 (the "**Memorandum**"), as supplemented by Supplement #1 dated September 25, 2023 ("**Supplement #1**"), Supplement #2 dated October 6, 2023 ("**Supplement #2**"), Supplement #3 dated November 10, 2023 ("**Supplement #3**"), Supplement #4 dated February 27, 2024 ("**Supplement #4**"), and Supplement #5 dated April 23, 2024 ("**Supplement #5**"), which describes the offering (the "**Offering**") of membership interests (the "**Investor Units**") in Capital Square Glendale BFR, LLC (the "**Fund**"). The Offering of the Investor Units is made exclusively by the Memorandum. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Memorandum. This Supplement #6 is being furnished for your information on a confidential basis so that you may consider your investment in the Investor Units described herein and in the Memorandum and should be read together with the Memorandum.

SUMMARY OF CHANGES TO THE OFFERING

This Supplement #6 extends the Offering until the earlier of (i) 100% of the Investor Units have been sold or (ii) December 31, 2024, which date may be extended in the sole and absolute discretion of the Manager.

PLAN OF DISTRIBUTION

The Manager intends to continue the Offering until the earlier of (i) 100% of the Investor Units have been sold or (ii) December 31, 2024, which date may be extended in the sole and absolute discretion of the Manager.

The Memorandum will be deemed to include this Supplement #6, and to the extent the Memorandum and this Supplement #6 are inconsistent, the Memorandum will be deemed to be superseded by this Supplement #6 with respect to the inconsistency.

This Supplement #6 is not to be reproduced or used for any other purpose. No person has been authorized to make any statement concerning the Offering other than as set forth in the Memorandum, and any such statement, if made, should not be relied upon.

The Offering has not been approved or disapproved by the Securities and Exchange Commission or the securities regulatory authority of any state, nor has the Securities and Exchange Commission or any securities regulatory authority of any state passed upon the accuracy or adequacy of the Memorandum, including this Supplement #6. Any representation to the contrary is a criminal offense. The Investor Units will only be offered and sold to "accredited investors" as that term is defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended.

The Investor Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended, and such laws pursuant to registration or exemption therefrom. In making an investment decision, prospective Investors must rely on their own examination of the person or entity creating the Investor Units and the terms of the Offering, including the merits and risks involved. Additionally, there are significant risks associated with the Offering. See "RISK FACTORS" section of the Memorandum.

The Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The Memorandum has not been filed with the Securities and Exchange Commission, any securities administrator under state securities laws or any other governmental or self-

regulatory authority. No governmental or self-regulatory authority has passed on the merits of the Offering or the adequacy of the Memorandum. Any representation to the contrary is unlawful.

SUPPLEMENT #5 TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
CAPITAL SQUARE GLENDALE BFR, LLC

Dated: April 23, 2024

This Supplement #5 (the "**Supplement #5**") updates, through April 23, 2024, the information previously provided in the Confidential Private Placement Memorandum dated July 26, 2023 (the "**Memorandum**"), as supplemented by Supplement #1 dated September 25, 2023 ("**Supplement #1**"), Supplement #2 dated October 6, 2023 ("**Supplement #2**"), Supplement #3 dated November 10, 2023 ("**Supplement #3**"), and Supplement #4 dated February 27, 2024 ("**Supplement #4**"), which describes the offering (the "**Offering**") of membership interests (the "**Investor Units**") in Capital Square Glendale BFR, LLC (the "**Fund**"). The Offering of the Investor Units is made exclusively by the Memorandum. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Memorandum. This Supplement #5 is being furnished for your information on a confidential basis so that you may consider your investment in the Investor Units described herein and in the Memorandum and should be read together with the Memorandum.

SUMMARY OF CHANGES TO THE OFFERING

This Supplement #5 announces the name of the community as "Ironwood Homes at Rosefield."

This Supplement #5 announces that the Manager is implementing a new Investor incentive for the first $10,000,000 of equity subscribed through the Offering, as more fully discussed herein.

This Supplement #5 announces that the Fund has issued a new Pro Forma which incorporates the above Investor incentive and more clearly displays the projected returns to the Investors.

This Supplement #5 provides a new risk disclosure relative to the Investor incentive.

This Supplement #5 provides an update on the status of construction.

Finally, this Supplement #5 updates the Management section of the Memorandum.

COMMUNITY NAMING

The Joint Venture and Property Owner have announced plans to name the community being developed at the Property, "Ironwood Homes at Rosefield."

INVESTOR INCENTIVE

As discussed in the Memorandum, the Manager, on its own behalf and/or on behalf of its affiliates, in its sole discretion, may defer, waive or reallocate to any person, in whole or in part, the payment of any fees, commissions or expenses otherwise payable to the Manager or its affiliates, or any pro rata portion of any such fees, commissions or expenses otherwise attributable to any particular Investor, by the Fund or the Joint Venture. In accordance with this provision, **the Manager and Sponsor have decided that for the first $10,000,000 of equity subscribed through the Offering, including all equity previously raised to date (i.e. the first 10,000 Investors Units sold), it is in the best interest of the Fund to (1) waive the Equity Placement Fee applicable to those Investor Units, and (2) for Sponsor to share with those Investor Units a prorata amount of any distributions Sponsor receives under the JV Agreement attributable to its 30% membership interest in Sunstone Promote Entity (hereinafter, these incentives shall be known as the "Advantaged Investor Program")**. This prorata apportionment of the Sponsor's promote distributions will be equal to the percentage of equity raised in the Advantaged Investor Program divided by the total amount of equity raised under the Offering, with the resultant percentage limited to no more than 22% of the overall Sponsor promote distributions (the "Prorata Apportionment").

The table below illustrates the impact of this new Advantaged Investor Program incentive by comparing the hypothetical returns for Investors who make equity investments of $1,000,000 outside of the Advantaged Investor

Program versus those who make equity investments under the Advantaged Investor Program incentive, based on the assumptions in the attached Pro Forma:

Hypothetical Returns on $1,000,000 Commitment		
	Standard Investor (1)	**Advantaged Investor Program**
IRR:	18.8%	22.3%
Total Return: (2)	165.3%	180.0%
Profit:	$652,647	$783,870

(1) "Standard Investor" means an investment subject to all the fees and costs listed on the "Investor Load Summary" page of the attached Pro Forma.

(2) The "Total Return" represents the ratio of total sales proceeds and distributions through the life of the asset over the total initial equity invested.

The Fund has based these hypothetical returns on its current expectations and projections about future events. These hypothetical returns are subject to risks, uncertainties and assumptions about the Fund, including, among other things, factors discussed under the heading "Risk Factors" in the Memorandum. Although the Fund believes the expectations reflected in these hypothetical returns are based upon reasonable assumptions, the Fund cannot assure Investors that its expectations will be attained or that any deviations will not be material. See the sections in the Memorandum entitled "RISKS RELATED TO FORWARD-LOOKING STATEMENTS" and "RISK FACTORS."

PRO FORMA

The Fund has issued a new Pro Forma which incorporates the above Investor incentive and more clearly displays the projected returns to the Investors. Therefore, the Pro Forma that was attached to the Memorandum as Exhibit C is hereby deleted in its entirety and replaced in its entirety with the Pro Forma attached hereto. It should be noted that the projected Standard Investor returns set forth in the new Pro Forma, and as identified in the table above, are higher than those set forth in the original Memorandum. These higher Standard Investor return projections are due to incorporation of the projected construction cost savings detailed in Supplement #4 and as updated in the Construction Update below. Projections such as those contained in the Pro Forma attached hereto, and which include assumptions regarding potential cash flow under the Advantaged Investor Program, are speculative, inherently uncertain, and subject to factors beyond the control of the Manager. No assurances can be given that there will be distributions made to the Sunstone Promote Entity or that an Investor will receive specific returns or any at all. See the sections in the Memorandum entitled "RISKS RELATED TO FORWARD-LOOKING STATEMENTS" and "RISK FACTORS."

RISK FACTORS

Sponsor's Interest in Promote May be Assigned. As part of the Advantaged Investor Program, the first 10,000 Investors Units sold ($10,000,000 of equity subscribed through the Offering) will, among other things, receive a prorata amount of any distributions Sponsor receives under the JV Agreement attributable to its 30% membership interest in Sunstone Promote Entity. Notwithstanding the foregoing, under the JV Agreement there are circumstances in which the JV Agreement can be terminated and Sponsor or its affiliates are required to assign their interests in the Sunstone Promote Entity to STT or STT's designees. Any such event could have a negative impact on the financial incentive provided by the Advantaged Investor Program. See the section in the Memorandum entitled "MANAGEMENT - Major Decisions - Purchase Agreement."

BUSINESS PLAN

Construction Update

The Project's horizontal construction budget is already 100% bought out with over $2.5 million of savings identified versus what was originally underwritten.

MANAGEMENT

Effective as of April 3, 2024, James Brunger no longer serves as our Chief Sales Officer. Drew Jackson has become Sponsor's Chief Distribution Officer.

Drew Jackson, Chief Distribution Officer. Mr. Jackson serves as Chief Distribution Officer at Capital Square. Mr. Jackson not only serves on Capital Square's executive leadership team, but he also focuses on the strategic growth and administration of the total vertically integrated firm. His passion for nurturing and growing relationships as well as his holistic view of wealth generation makes him a key player in the implementation of strategic initiatives and partnerships amid evolving client and market needs.

A forward-thinking and innovative leader with over 25 years of experience in the financial services industry, Mr. Jackson previously served as president and CEO of Concorde Holdings, a leading independent broker-dealer, registered investment advisor and insurance agency, specializing in alternative investments. At Concorde, he led the firm to the best results in company history, consistently driving positive outcomes and advocating for evolving financial services to client-centered products and programs. Jackson has been a leader in the RIA business for years, directing programs, supporting representatives and clients, and adopting solutions for tax problems through alternative investments. He was a significant driver in the development of one of the industry's first open-architecture UMA platforms as well as in the shift from a transaction-based to a fee-based advisory model of business. Earlier in his career, Mr. Jackson directed the wealth strategies group of Scott & Stringfellow, BB&T Securities (now Truist Financial), leading the firm's client focused wealth management programs.

A graduate of Radford University with a Bachelor of Business Administration, Jackson holds numerous FINRA licenses, including series 7, 9, 10, 24, 63 and 65. He is a certified investment management analyst (CIMA) and an accredited asset management specialist (AAMS), and was also a finalist for WealthManagement.com's "CEO of the Year" in 2023.

The Memorandum will be deemed to include this Supplement #5, and to the extent the Memorandum and this Supplement #5 are inconsistent, the Memorandum will be deemed to be superseded by this Supplement #5 with respect to the inconsistency.

This Supplement #5 is not to be reproduced or used for any other purpose. No person has been authorized to make any statement concerning the Offering other than as set forth in the Memorandum, and any such statement, if made, should not be relied upon.

The Offering has not been approved or disapproved by the Securities and Exchange Commission or the securities regulatory authority of any state, nor has the Securities and Exchange Commission or any securities regulatory authority of any state passed upon the accuracy or adequacy of the Memorandum, including this Supplement #5. Any representation to the contrary is a criminal offense. The Investor Units will only be offered and sold to "accredited investors" as that term is defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended.

The Investor Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended, and such laws pursuant to registration or exemption therefrom. In making an investment decision, prospective Investors must rely on their own examination of the person or entity creating the Investor Units and the terms of the Offering, including the merits and risks involved. Additionally, there are significant risks associated with the Offering. See "RISK FACTORS" section of the Memorandum.

The Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The Memorandum has not been filed with the Securities and Exchange Commission, any securities administrator under state securities laws or any other governmental or self-regulatory authority. No governmental or self-regulatory authority has passed on the merits of the Offering or the adequacy of the Memorandum. Any representation to the contrary is unlawful.

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EXHIBIT C

PRO FORMA

Standard Investor Projected Cash Flows							
			T-0	Year 1	Year 2	Year 3	Year 4
			Jan-23	Jan-24	Jan-25	Jan-26	Jan-27
Equity Investment			($11,059,540)	($1,604,014)	($13,174,863)	($10,864,136)	–
Property Cash Flow			–	–	–	–	$76,223,988
Gross Fund Cash Flow			($11,059,540)	($1,604,014)	($13,174,863)	($10,864,136)	$76,223,988
JV Load							
Sponsor Fees			($734,051)	($925,929)	($925,929)	($925,929)	($925,929)
Selling Costs			($4,629,700)	–	–	–	–
Carrying Costs			–	($526,449)	–	–	–
Standard Investor Cash Flow	**IRR:**	**18.8%**	($16,423,291)	($3,056,392)	($14,100,792)	($11,790,065)	$75,298,059
	Total Return:	**165%**					
	Profit:	**$29,927,518**					
Advantaged Investor Program - Initial $10mm Committed							
Cash Flow to Standard Investor			($3,581,525)	($666,526)	($3,075,044)	($2,571,130)	$16,420,698
Equity Placement Fee Break			$160,079				
Pro-rata Share of Sponsor Promote			–	–	–	–	$1,152,145
Advantaged Investor Cash Flow	**IRR:**	**22.3%**	($3,421,446)	($666,526)	($3,075,044)	($2,571,130)	$17,572,843
	Total Return:	**180%**					
	Profit:	**$7,838,697**					

Note: Advantaged Investor Program offers first $10mm of equity invested (i) a 2% fee discount and (ii) pro-rata profit share of Sponsor promote.

Standard Investor Projected Cash Flows - $100k Commitment							
			T-0	Year 1	Year 2	Year 3	Year 4
			Jan-23	Jan-24	Jan-25	Jan-26	Jan-27
Equity Investment			($24,118)	($3,498)	($28,731)	($23,692)	–
Property Cash Flow			–	–	–	–	$166,226
Gross Fund Cash Flow			($24,118)	($3,498)	($28,731)	($23,692)	$166,226
JV Load							
Sponsor Fees			($1,601)	($2,019)	($2,019)	($2,019)	($2,019)
Selling Costs			($10,096)	–	–	–	–
Carrying Costs			–	($1,148)	–	–	–
Standard Investor Cash Flow	**IRR:**	**18.8%**	($35,815)	($6,665)	($30,750)	($25,711)	$164,207
	Total Return:	**165%**					
	Profit:	**$65,265**					
Advantaged Investor Program Projected Cash Flows - $100k Commitment							
Cash Flow to Standard Investor			($35,815)	($6,665)	($30,750)	($25,711)	$164,207
Equity Placement Fee Break			$1,601				
Pro-rata Share of Sponsor Promote			–	–	–	–	$11,521
Advantaged Investor Cash Flow	**IRR:**	**22.3%**	($34,214)	($6,665)	($30,750)	($25,711)	$175,728
	Total Return:	**180%**					
	Profit:	**$78,387**					

Note: Advantaged Investor Program offers first $10mm of equity invested (i) a 2% fee discount and (ii) pro-rata profit share of Sponsor promote.

Standard Investor Projected Cash Flows - $1mm Commitment							
			T-0	Year 1	Year 2	Year 3	Year 4
			Jan-23	Jan-24	Jan-25	Jan-26	Jan-27
Equity Investment			($241,182)	($34,980)	($287,312)	($236,921)	–
Property Cash Flow			–	–	–	–	$1,662,262
Gross Fund Cash Flow			($241,182)	($34,980)	($287,312)	($236,921)	$1,662,262
JV Load							
Sponsor Fees			($16,008)	($20,192)	($20,192)	($20,192)	($20,192)
Selling Costs			($100,963)	–	–	–	–
Carrying Costs			–	($11,481)	–	–	–
Standard Investor Cash Flow	**IRR:**	**18.8%**	($358,153)	($66,653)	($307,504)	($257,113)	$1,642,070
	Total Return:	**165%**					
	Profit:	**$652,647**					
Advantaged Investor Program Projected Cash Flows - $1mm Commitment							
Cash Flow to Standard Investor			($358,153)	($66,653)	($307,504)	($257,113)	$1,642,070
Equity Placement Fee Break			$16,008				
Pro-rata Share of Sponsor Promote			–	–	–	–	$115,215
Advantaged Investor Cash Flow	**IRR:**	**22.3%**	($342,145)	($66,653)	($307,504)	($257,113)	$1,757,285
	Total Return:	**180%**					
	Profit:	**$783,870**					

Note: Advantaged Investor Program offers first $10mm of equity invested (i) a 2% fee discount and (ii) pro-rata profit share of Sponsor promote.

Return Impact of Advantaged Investor Program - $1mm Commitment		
	Standard Investor	Advantaged Investor
IRR:	18.8%	22.3%
Total Return:	165.3%	179.7%
Profit:	$652,647	$783,870

Note: Advantaged Investor Program offers first $10mm of equity invested (i) a 2% fee discount and (ii) pro-rata profit share of Sponsor promote.

Investor Load Summary			
Sponsor Fees			
Accounting Fee	$0	Fixed, annual	0
AM Fee	2.00%	Annual	(3,703,718)
Equity Placement Fee	2.00%	One time	(734,051)
Selling Costs			
Organization and Offering Expenses	1.00%	One time	(462,970)
Selling Commissions	6.50%	One time	(3,009,305)
Marketing and Due Diligence Allowance	1.00%	One time	(462,970)
Managing Broker-Dealer Fee	0.50%	One time	(231,485)
Wholesaling Fee	1.00%	One time	(462,970)
Carrying Costs*			(526,449)
Load			(9,593,917)

*Accrued only during fundraising period

Note: Equity Placement Fee waived for **Advantaged Investors** committing the first $10mm of equity, in addition to pro-rata share of Sponsor promote.

Note: Advantaged Investor Program offers first $10mm of equity invested (i) a 2% fee discount and (ii) pro-rata profit share of Sponsor promote.

Estimated Use of Proceeds		
	Amount	Percentage of Gross Proceeds
Gross Offering Proceeds (Rounded '000)	$46,297,000	100.0%
Organization and Offering Expenses	$462,970	1.00%
Selling Commissions	$3,009,305	6.50%
Marketing and Due Diligence Allowance	$462,970	1.00%
Managing Broker-Dealer Fee	$231,485	0.50%
Wholesaling Fee	$462,970	1.00%
Amount Available for Investment*	$41,667,300	90.0%
Total Application (Rounded '000)	$46,297,000	100.0%

*Includes Sponsor Fees and Carrying Costs

Project Information	
Project	Northern Pkwy and Sarival
Location	Glendale
Asset Class	Resi Development
Land Close	9/21/2023
Land SF	1,262,318
Acres	28.98
Zoning	Commercial / MF - 12 Maxdu/AC

Sources & Uses					
Capital Uses		**$ Amt.**	**% of Tot.**	**$ / Unit**	**$ / RSF**
Land + Tax Costs		15,099,969	12.6%	$47,187	$34.10
Hard Costs		76,539,538	64.1%	$239,186	$172.85
FF&E		650,000	0.5%	$2,031	$1.47
Soft Costs		9,813,598	8.2%	$30,667	$22.16
Financing Costs		2,492,119	2.1%	$7,788	$5.63
Capitalized Interest		10,060,310	8.4%	$31,438	$22.72
Contingency		3,826,977	3.2%	$11,959	$8.64
Reserves		996,177	0.8%	$3,113	$2.25
Total Capital Uses		**119,478,688**	**100.0%**	**$373,371**	**$269.82**
Capital Sources		**$ Amt.**		**$ / Unit**	**$ / RSF**
Construction Loan		78,100,000	65.4%	$244,063	$176.37
Project LP	90.0%	37,240,820	31.2%	$116,378	$84.10
Project GP	10.0%	4,137,869	3.5%	$12,931	$9.34
Total Capital Sources		**119,478,688**	**100.0%**	**$373,371**	**$269.82**

Unit Mix								
Type	**BR**	**BA**	**Units**	**% of Tot.**	**Sq. Ft.**	**Total**	**Rent**	**Rent / SF**
Detached 3 Bed	3	2.5	12	3.8%	1,559	18,708	$2,675	$1.72
Detached 4 Bed	4	2.5	90	28.1%	1,668	150,120	$2,825	$1.69
Townhome 2 Bed	2	2.5	92	28.8%	1,054	96,968	$2,200	$2.09
Townhome 3 Bed Small	3	2.5	48	15.0%	1,265	60,720	$2,450	$1.94
Townhome 3 Bed Large	3	2.5	78	24.4%	1,491	116,298	$2,500	$1.68
Total / Weighted Avg.			**320**	**100.0%**	**1,384**	**442,814**	**$2,504**	**$1.81**

Pro-Forma Summary								
			Untrended			Stab. Yr. 1: 07/27 - 06/28		
			$ Amt.	**$ / Unit**	**$ / RSF**	**$ Amt.**	**$ / Unit**	**$ / RSF**
Residential Income			9,616,200	$30,051	$21.72	11,364,807	$35,515	$25.66
Net Effective Rent	**Variable**		**9,616,200**	**$30,051**	**$21.72**	**11,308,174**	**$35,338**	**$25.54**
Storage Income	Y		--	--	--	--	--	--
RUBS	Y		486,400	$1,520	$1.10	543,461	$1,698	$1.23
Parking	Y		--	--	--	--	--	--
Other Income	Y		627,200	$1,960	$1.42	700,778	$2,190	$1.58
Total Income			**10,729,800**	**$33,531**	**$24.23**	**12,552,414**	**$39,226**	**$28.35**
Vacancy & Credit Loss & Empl Unit			(596,845)	($1,865)	($1.35)	(698,218)	($2,182)	($1.58)
Effective Gross Revenue			**10,132,955**	**$31,665**	**$22.88**	**11,854,195**	**$37,044**	**$26.77**
	Variable							
Payroll	N		480,000	$1,500	$1.08	536,310	$1,676	$1.21
Marketing	N		80,000	$250	$0.18	89,385	$279	$0.20
Utilities	Y		512,000	$1,600	$1.16	572,064	$1,788	$1.29
R&M	Y		96,000	$300	$0.22	107,262	$335	$0.24
Turnover	Y		96,000	$300	$0.22	107,262	$335	$0.24
Contract Services	N		112,000	$350	$0.25	125,139	$391	$0.28
Real Estate Taxes	N	5.00%	782,963	$2,447	$1.77	822,111	$2,569	$1.86
Insurance	N		80,000	$250	$0.18	89,385	$279	$0.20
Management Fee			278,656	$871	$0.63	296,355	$926	$0.67
Administration and HOA	N		64,000	$200	$0.14	71,508	$223	$0.16
Reserves			48,000	$150	$0.11	53,631	$168	$0.12
Total Op. Expenses			**2,629,619**	**$8,218**	**$5.94**	**2,870,413**	**$8,970**	**$6.48**
Net Operating Income			**7,503,336**	**$23,448**	**$16.94**	**8,983,783**	**$28,074**	**$20.29**
ROC			***74%***		***6.3%***			***7.5%***
Controllable Expenses			*1,488,000*	*$4,650*	*$3.36*	*1,662,562*	*$5,196*	*$3.75*
Uncontrollable Expenses			*1,141,619*	*$3,568*	*$2.58*	*1,207,851*	*$3,775*	*$2.73*

Development Timeline

Project-Level Returns Summary (65.4% LTC, 48 Mo Hold, 5.00% Exit Cap)

Exit Assumptions	
Sale $	$182,490,739
/unit	$570,284
/psf	$412
Date	30-Sep-27

Returns	Unlevered	Levered
IRR	23.3%	38.1%
Peak Equity	106,861,455	40,780,614
Net Profit	79,912,347	61,692,789
CFx	1.75x	2.51x

SUPPLEMENT #4 TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
CAPITAL SQUARE GLENDALE BFR, LLC

Dated: February 27, 2024

This Supplement #4 (the "**Supplement #4**") updates, through February 27, 2024, the information previously provided in the Confidential Private Placement Memorandum dated July 26, 2023 (the "**Memorandum**"), as supplemented by Supplement #1 dated September 25, 2023 ("**Supplement #1**"), Supplement #2 dated October 6, 2023 ("**Supplement #2**"), and Supplement #3 dated November 10, 2023 ("**Supplement #3**"), which describes the offering (the "**Offering**") of membership interests (the "**Investor Units**") in Capital Square Glendale BFR, LLC (the "**Fund**"). The Offering of the Investor Units is made exclusively by the Memorandum. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Memorandum. This Supplement #4 is being furnished for your information on a confidential basis so that you may consider your investment in the Investor Units described herein and in the Memorandum and should be read together with the Memorandum.

SUMMARY OF CHANGES TO THE OFFERING

This Supplement #4 announces that the Manager is implementing an Investor incentive for new Investors who close on their investments before May 1, 2024, as more fully discussed herein.

This Supplement #4 announces that the Fund has issued a reformatted Pro Forma which incorporates the above Investor incentive and more clearly displays the projected returns to the Investors.

This Supplement #4 provides an update on the status of construction and the Phoenix market.

Finally, this Supplement #4 updates the Management section of the Memorandum.

INVESTOR INCENTIVE

As discussed in the Memorandum, the Manager, on its own behalf and/or on behalf of its affiliates, in its sole discretion, may defer, waive or reallocate to any person, in whole or in part, the payment of any fees, commissions or expenses otherwise payable to the Manager or its affiliates, or any pro rata portion of any such fees, commissions or expenses otherwise attributable to any particular Investor, by the Fund or the Joint Venture. In accordance with this provision, **the Manager has decided that it is in the best interest of the Fund to waive the Equity Placement Fee for new Investors who close on their investments before May 1, 2024**.

The table below illustrates the impact of this new Investor incentive by comparing the hypothetical returns for new Investors who make equity investments of $1,000,000 before and after May 1, 2024, based on the assumptions in the attached Pro Forma:

Hypothetical Returns on $1,000,000 Commitment		
	Full Fee Load [(1)]	**0% Equity Placement Fee**
IRR:	17.1%	18.1%
Total Return: [(2)]	158.2%	161.5%
Profit:	$587,477	$621,404

(1) "Full Fee Load" means all of the fees and costs listed on the "Investor Load Summary" page of the attached Pro Forma, plus an Equity Placement Fee equal to 2.0% of total capital contributions.

(2) The "Total Return" represents the projected ratio of total sales proceeds and distributions through the life of the asset over the total initial equity invested.

The Fund has based these hypothetical returns on its current expectations and projections about future events. These hypothetical returns are subject to risks, uncertainties and assumptions about the Fund, including, among other things, factors discussed under the heading "Risk Factors" in the Memorandum. Although the Fund believes the expectations reflected in these hypothetical returns are based upon reasonable assumptions, the Fund cannot assure Investors that its expectations will be attained or that any deviations will not be material. See the sections in the Memorandum entitled "RISKS RELATED TO FORWARD-LOOKING STATEMENTS" and "RISK FACTORS."

PRO FORMA

The Fund has issued a reformatted Pro Forma which incorporates the above Investor incentive and more clearly displays the projected returns to the Investors. Therefore, the Pro Forma that was attached to the Memorandum as Exhibit C is hereby deleted in its entirety and replaced in its entirety with the Pro Forma attached hereto.

BUSINESS PLAN

Construction Update

Horizontal construction at the Project is well underway and three months ahead of schedule. All wet and dry utility permits (including water) have been received.

In addition, due in large part to the Sponsor's experienced construction management team which has quickly and efficiently executed with contractors, the Project is outperforming its underwritten budget; the horizontal construction budget is substantially bought out with over $2 million of savings identified versus what was originally underwritten.

Vertical construction is on schedule to begin in the fourth quarter of 2024. Initial units are projected to be delivered in the first quarter of 2025, with final units expected to be delivered in the second quarter of 2026.

MARKET OVERVIEW

"Build-For-Rent" Market Update

The Phoenix metropolitan area is continuing to experience the real estate buying frenzy that was initially spurred by the COVID-19 pandemic, albeit at a slower pace.[1] According to data compiled by Stacker, prospective buyers in the Phoenix area are still competing for a limited supply of housing, which is driving up prices for affordable properties.[2] Out of the 50 cities and towns in Arizona with the fastest-growing home prices, fifteen were in the Phoenix MSA.[3] Because rising home sales prices and mortgage interest rates have historically helped fuel demand for single-family rental housing, the Sponsor believes that this continuing trend should bode well for rental demand at the Project.

In addition, Hunter Housing Economics is projecting that the production of build-for-rent housing will drop sharply in 2024, which is expected to lead to an increase in pent-up demand for new build-for-rent housing products from 2024 to 2026.[4] With initial units at the Project expected to be delivered in 2025, the Sponsor believes that the Project will be well-positioned to meet this projected demand.

Continuing Manufacturing Development in the Phoenix MSA

[1] "Cities with the fastest-growing home prices in Arizona," *Arizona's Family*, February 24, 2024, https://www.azfamily.com/2024/02/24/cities-with-fastest-growing-home-prices-arizona/.
[2] *Id.*
[3] *Id.*
[4] "Annual Built-for-Rent Housing Starts," *Hunter Housing Economics*, accessed February 27, 2024, https://www.hunterhousingeconomics.com/built-to-rentsfr#:~:text=Outlook%3A%20There%20have%20been%20some,of%20BFR%20developers%20and%20capital.

The Phoenix metropolitan area is continuing to attract manufacturing companies and facilities, adding to the employment opportunities available to its residents. On February 27, 2024, Planatome, a medical device technology company, announced its plans to expand its operations in Arizona with the development of a manufacturing plant in the greater Phoenix area.[5] With this new manufacturing plant, Planatome expects to more than double the size of its workforce over the next five years.[6] According to Sandra Watson, President and CEO of the Arizona Commerce Authority, "Planatome's new manufacturing facility highlights Arizona's impressive reputation for emerging technologies and innovation. With the planned facility, Planatome will join a growing list of manufacturers making products here in Arizona, adding to our vibrant medical and biotech industry."[7]

In addition, Taiwan Semiconductor Manufacturing Co. ("**TSMC**") just announced that it has topped out the second phase at its Phoenix facility and that its first phase is on track to begin high-volume production next year.[8] These facilities represent a $40 billion investment from TSMC, which is the largest foreign direct investment in Arizona's history, and are expected to create approximately 4,500 jobs.[9]

MANAGEMENT

Donna Sperounis, who has served as Chief Financial Officer of Capital Square, announced that she is leaving the firm. Jay Olander is her successor and is serving as President and Chief Financial Officer of Capital Square. Accordingly, Ms. Sperounis's biography in the Management section of the Memorandum is hereby deleted in its entirety and replaced in its entirety with Mr. Olander's biography, as follows:

> "**Jay Olander, President and Chief Financial Officer** – Mr. Olander is President and Chief Financial Officer of Capital Square and Chief Financial Officer and Treasurer of Capital Square Apartment REIT, Inc. Mr. Olander brings over 40 years of real estate experience to the firm. Prior to joining Capital Square, Mr. Olander was an independent director on the board of directors of Capital Square Apartment REIT, Inc. and the managing partner of Cornerstone Realty Advisors, LLC. Previously, he was a founder, chief executive officer and a member of the board of directors of Landmark Apartment Trust, Inc., a real estate investment trust with over 24,000 apartments until its sale in January 2016 for approximately $1.9 billion. From December 2005 until November 2010, he served as chief executive officer of Grubb & Ellis REIT Advisor. From December 2007 until November 2010, he served as the executive vice president of the multifamily division of Grubb & Ellis Company. He also served in various capacities within this organization from December 2005 until November 2010, including serving as chief executive officer, president and chairman of the board of directors of Grubb & Ellis Residential Management, Inc. from August 2007 until November 2010. From 1994 until April 2005, he served as president and chief financial officer and a member of the board of directors of Cornerstone Realty Income Trust, Inc., a publicly traded apartment REIT listed on the New York Stock Exchange with a market capitalization of $1.5 billion. In 2005, he oversaw the sale of Cornerstone REIT. Mr. Olander has been responsible for the acquisition and financing of approximately 75,000 apartment units during his career.
>
> Mr. Olander also holds the position of president on the board of the Virginia Museum of Fine Arts Foundation and serves as a board member for Greater Richmond SCAN. He earned a bachelor's degree in business administration from Radford University, a master's degree in real estate and urban land development from Virginia Commonwealth University and completed the Harvard Business School Executive Education leadership program."

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[5] "Planatome Expands Manufacturing Operations in Arizona," *Arizona Commerce Authority*, February 27, 2024, https://www.azcommerce.com/news-events/news/2024/2/planatome-expands-manufacturing-operations-in-arizona/.
[6] *Id.*
[7] *Id.*
[8] Corina Vanek, "TSMC hits construction milestone at Phoenix facility. Here is what's next," *AZCentral*, February 27, 2024, https://www.azcentral.com/story/news/local/phoenix/2024/02/27/tsmc-facility-in-phoenix-hits-construction-milestone-what-we-know/72746254007/.
[9] *Id.*

The Memorandum will be deemed to include this Supplement #4, and to the extent the Memorandum and this Supplement #4 are inconsistent, the Memorandum will be deemed to be superseded by this Supplement #4 with respect to the inconsistency.

This Supplement #4 is not to be reproduced or used for any other purpose. No person has been authorized to make any statement concerning the Offering other than as set forth in the Memorandum, and any such statement, if made, should not be relied upon.

The Offering has not been approved or disapproved by the Securities and Exchange Commission or the securities regulatory authority of any state, nor has the Securities and Exchange Commission or any securities regulatory authority of any state passed upon the accuracy or adequacy of the Memorandum, including this Supplement #4. Any representation to the contrary is a criminal offense. The Investor Units will only be offered and sold to "accredited investors" as that term is defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended.

The Investor Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended, and such laws pursuant to registration or exemption therefrom. In making an investment decision, prospective Investors must rely on their own examination of the person or entity creating the Investor Units and the terms of the Offering, including the merits and risks involved. Additionally, there are significant risks associated with the Offering. See "RISK FACTORS" section of the Memorandum.

The Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The Memorandum has not been filed with the Securities and Exchange Commission, any securities administrator under state securities laws or any other governmental or self-regulatory authority. No governmental or self-regulatory authority has passed on the merits of the Offering or the adequacy of the Memorandum. Any representation to the contrary is unlawful.

EXHIBIT C

PRO FORMA

Projected Investor Cash Flows							
			T-0	Year 1	Year 2	Year 3	Year 4	Year 5
			Jan-23	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28
Equity Investment			($11,059,567)	($2,920,263)	($13,290,271)	($11,767,303)	–	($0)
Property Cash Flow			–	–	–	$0	$77,477,848	–
Gross Fund Cash Flow			($11,059,567)	($2,920,263)	($13,290,271)	($11,767,303)	$77,477,848	($0)
JV Load								
Sponsor Fees			–	($963,070)	($963,070)	($963,070)	($963,070)	–
AM Fee			–	($963,070)	($963,070)	($963,070)	($963,070)	–
Equity Placement Fee			–	–	–	–	–	–
Selling Costs			($4,815,400)	–	–	–	–	–
Carrying Costs			–	($448,430)	–	–	–	–
Net Cash Flow to Investor	**IRR:**	**18.1%**	($15,874,967)	($4,331,763)	($14,253,341)	($12,730,374)	$76,514,777	($0)
	Total Return:	**161.5%**						
	Profit:	**$29,324,333**						

Note: Equity Placement Fee waived for investments made prior to May 1, 2024.

Projected Investor Cash Flows - $100k Commitment							
			T-0	Year 1	Year 2	Year 3	Year 4	Year 5
			Jan-23	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28
Equity Investment			($23,436)	($6,188)	($28,163)	($24,936)	($0)	($0)
Property Cash Flow			–	–	–	–	$164,181	–
Gross Fund Cash Flow			($23,436)	($6,188)	($28,163)	($24,936)	$164,181	($0)
JV Load								
Sponsor Fees			–	($2,041)	($2,041)	($2,041)	($2,041)	–
AM Fee			–	($2,041)	($2,041)	($2,041)	($2,041)	–
Equity Placement Fee			–	–	–	–	–	–
Selling Costs			($10,204)	–	–	–	–	–
Carrying Costs			–	($950)	–	–	–	–
Net Cash Flow to Investor	**IRR:**	**18.1%**	($33,640)	($9,179)	($30,204)	($26,977)	$162,140	($0)
	Total Return:	**161.5%**						
	Profit:	**$62,140**						

Note: Equity Placement Fee waived for investments made prior to May 1, 2024.

Projected Investor Cash Flows - $1M Commitment							
			T-0	Year 1	Year 2	Year 3	Year 4	Year 5
			Jan-23	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28
Equity Investment			($234,360)	($61,882)	($281,631)	($249,358)	($0)	($0)
Property Cash Flow			–	–	–	–	$1,641,812	–
Gross Fund Cash Flow			($234,360)	($61,882)	($281,631)	($249,358)	$1,641,812	($0)
JV Load								
Sponsor Fees			–	($20,408)	($20,408)	($20,408)	($20,408)	–
AM Fee			–	($20,408)	($20,408)	($20,408)	($20,408)	–
Equity Placement Fee			–	–	–	–	–	–
Selling Costs			($102,042)	–	–	–	–	–
Carrying Costs			–	($9,503)	–	–	–	–
Net Cash Flow to Investor	**IRR:**	**18.1%**	($336,402)	($91,793)	($302,039)	($269,766)	$1,621,404	($0)
	Total Return:	**161.5%**						
	Profit:	**$621,404**						

Note: Equity Placement Fee waived for investments made prior to May 1, 2024.

Return Impact on $1mm Commitment		
	Full Fee Load	0% Equity Placement Fee
IRR:	17.1%	18.1%
Total Return:	158.2%	161.5%
Profit:	$587,477	$621,404

Note: Equity Placement Fee waived for investments made prior to May 1, 2024.

Investor Load Summary			
Sponsor Fees			
AM Fee	2.00%	Annual	(3,852,281)
Equity Placement Fee	0.00%	One time	0
Selling Costs			
Organization and Offering Expenses	1.00%	One time	(481,540)
Selling Commissions	6.50%	One time	(3,130,010)
Marketing and Due Diligence Allowance	0.50%	One time	(240,770)
Managing Broker-Dealer Fee	1.00%	One time	(481,540)
Wholesaling Fee	1.00%	One time	(481,540)
Carrying Costs*			(448,430)

*Accrued only during fundraising period

Note: Equity Placement Fee waived for investments made prior to May 1, 2024.

Estimated Use of Proceeds		
	Amount	Percentage of Gross Proceeds
Gross Offering Proceeds (Rounded '000)	$48,154,000	100.0%
Organization and Offering Expenses	$481,540	1.00%
Selling Commissions	$3,130,010	6.50%
Marketing and Due Diligence Allowance	$240,770	0.50%
Managing Broker-Dealer Fee	$481,540	1.00%
Wholesaling Fee	$481,540	1.00%
Amount Available for Investment*	$43,338,600	90.0%
Total Application (Rounded '000)	$48,154,000	100.0%

*Includes Sponsor Fees and Carrying Costs

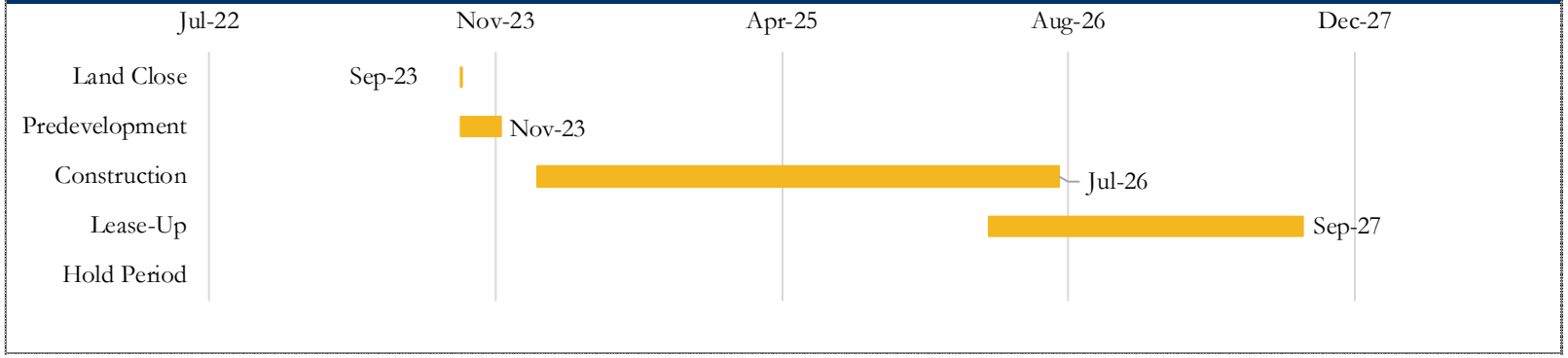
Project Information	
Project	Northern Pkwy and Sarival
Location	Glendale
Asset Class	Resi Development
Land Close	9/21/2023
Land SF	1,262,318
Acres	28.98
Zoning	Commercial / MF - 12 Maxdu/AC

Sources & Uses					
Capital Uses		**$ Amt.**	**% of Tot.**	**$ / Unit**	**$ / RSF**
Land + Tax Costs		15,099,969	12.4%	$47,187	$34.10
Hard Costs		79,459,153	65.0%	$248,310	$179.44
Owner Controlled		--	--	--	--
FF&E		650,000	0.5%	$2,031	$1.47
Soft Costs		9,828,772	8.0%	$30,715	$22.20
Financing Costs		2,493,093	2.0%	$7,791	$5.63
Capitalized Interest		9,755,770	8.0%	$30,487	$22.03
Contingency		3,972,958	3.2%	$12,415	$8.97
Reserves		996,177	0.8%	$3,113	$2.25
Total Capital Uses		**122,255,893**	**100.0%**	**$382,050**	**$276.09**
Capital Sources		**$ Amt.**		**$ / Unit**	**$ / RSF**
Construction Loan		78,100,000	63.9%	$244,063	$176.37
Project LP	90.0%	39,740,304	32.5%	$124,188	$89.74
GP	10.0%	4,415,589	3.6%	$13,799	$9.97
Total Capital Sources		**122,255,893**	**100.0%**	**$382,050**	**$276.09**

Unit Mix								
Type	**BR**	**BA**	**Units**	**% of Tot.**	**Sq. Ft.**	**Total**	**Rent**	**Rent / SF**
Detached 3 Bed	3	2.5	12	3.8%	1,559	18,708	$2,675	$1.72
Detached 4 Bed	4	2.5	90	28.1%	1,668	150,120	$2,825	$1.69
Townhome 2 Bed	2	2.5	92	28.8%	1,054	96,968	$2,200	$2.09
Townhome 3 Bed Small	3	2.5	48	15.0%	1,265	60,720	$2,450	$1.94
Townhome 3 Bed Large	3	2.5	78	24.4%	1,491	116,298	$2,500	$1.68
Total / Weighted Avg.			**320**	**100.0%**	**1,384**	**442,814**	**$2,504**	**$1.81**

Pro-Forma Summary								
			Untrended			**Stab. Yr. 1: 07/27 - 06/28**		
			$ Amt.	**$ / Unit**	**$ / RSF**	**$ Amt.**	**$ / Unit**	**$ / RSF**
Residential Income			9,616,200	$30,051	$21.72	11,364,807	$35,515	$25.66
Stabilized Concessions			--	--	--	(56,633)	($177)	($0.13)
Net Effective Rent	**Variable**		**9,616,200**	**$30,051**	**$21.72**	**11,308,174**	**$35,338**	**$25.54**
Storage Income	Y		--	--	--	--	--	--
RUBS	Y		486,400	$1,520	$1.10	543,461	$1,698	$1.23
Parking	Y		--	--	--	--	--	--
Other Income	Y		627,200	$1,960	$1.42	700,778	$2,190	$1.58
Total Income			**10,729,800**	**$33,531**	**$24.23**	**12,552,414**	**$39,226**	**$28.35**
Vacancy & Credit Loss & Empl Unit			(596,845)	($1,865)	($1.35)	(698,218)	($2,182)	($1.58)
Effective Gross Revenue			**10,132,955**	**$31,665**	**$22.88**	**11,854,195**	**$37,044**	**$26.77**
	Variable							
Payroll	N		480,000	$1,500	$1.08	536,310	$1,676	$1.21
Marketing	N		80,000	$250	$0.18	89,385	$279	$0.20
Utilities	Y		512,000	$1,600	$1.16	572,064	$1,788	$1.29
R&M	Y		96,000	$300	$0.22	107,262	$335	$0.24
Turnover	Y		96,000	$300	$0.22	107,262	$335	$0.24
Contract Services	N		112,000	$350	$0.25	125,139	$391	$0.28
Real Estate Taxes	N	5.00%	782,963	$2,447	$1.77	822,111	$2,569	$1.86
Insurance	N		80,000	$250	$0.18	89,385	$279	$0.20
Management Fee			278,656	$871	$0.63	296,355	$926	$0.67
Administration and HOA	N		64,000	$200	$0.14	71,508	$223	$0.16
Reserves			48,000	$150	$0.11	53,631	$168	$0.12
Total Op. Expenses			**2,629,619**	**$8,218**	**$5.94**	**2,870,413**	**$8,970**	**$6.48**
Net Operating Income			**7,503,336**	**$23,448**	**$16.94**	**8,983,783**	**$28,074**	**$20.29**
ROC			***74%***		***6.1%***			***7.3%***
Controllable Expenses			*1,488,000*	*$4,650*	*$3.36*	*1,662,562*	*$5,196*	*$3.75*
Uncontrollable Expenses			*1,141,619*	*$3,568*	*$2.58*	*1,207,851*	*$3,775*	*$2.73*

Development Timeline



Returns Summary (63.9% LTC, 48 Mo Hold, 5.00% Exit Cap)

Exit Assumptions	
Sale $	$182,490,739
/unit	$570,284
/psf	$412
Date	30-Sep-27

Returns	Unlevered	Levered	CS LP
IRR	21.9%	35.5%	18.1%
Peak Equity	109,942,224	43,374,893	47,669,620
Net Profit	76,831,577	59,054,520	29,324,333
CFx	1.70x	2.36x	1.62x

SUPPLEMENT #3 TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
CAPITAL SQUARE GLENDALE BFR, LLC

Dated: November 10, 2023

This Supplement #3 (the "**Supplement #3**") updates, through November 10, 2023, the information previously provided in the Confidential Private Placement Memorandum dated July 26, 2023 (the "**Memorandum**"), as supplemented by Supplement #1 dated September 25, 2023 ("**Supplement #1**"), and Supplement #2 dated October 6, 2023 ("**Supplement #2**"), which describes the offering (the "**Offering**") of membership interests (the "**Investor Units**") in Capital Square Glendale BFR, LLC (the "**Fund**"). The Offering of the Investor Units is made exclusively by the Memorandum. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Memorandum. This Supplement #3 is being furnished for your information on a confidential basis so that you may consider your investment in the Investor Units described herein and in the Memorandum and should be read together with the Memorandum.

SUMMARY OF CHANGES TO THE OFFERING

This Supplement #3 corrects a scrivener's error in the sections of the Memorandum that discuss the compensation to the members of the Joint Venture.

This Supplement #3 also restates a portion of the "MANAGEMENT" section in the Memorandum.

COMPENSATION TO THE MEMBERS OF THE JOINT VENTURE

As set forth in the JV Agreement, the development oversight fee is to be payable to the Manager. Accordingly, in order to correct a scrivener's error, the second bullet point in the discussions of the compensation to the members of the Joint Venture is hereby deleted in its entirety and replaced in its entirety with the following:

- "The Manager will be due a development oversight fee of 1.5% of total project costs (which for the avoidance of doubt shall include Soft Costs and Hard Costs), which shall be paid by the Joint Venture to the Manager *pari passu* with the payment by Property Owner of the Development Fee (as said term is defined in the Development Management Agreement) to Sunstone Development."

MANAGEMENT

The portion of the "MANAGEMENT" section in the Memorandum that lists the principal members of Capital Square's management team is hereby deleted and restated as follows:

The principal members of the Sponsor's management team and their roles are:

Louis J. Rogers, Co-Chief Executive Officer and Founder – Mr. Rogers is the founder and Co-Chief Executive Officer of the Sponsor and member of the executive management team. He was Managing Director – Private Programs at a national real estate sponsor and the former CEO of that sponsor's FINRA-licensed broker-dealer. As the former President and Board Member of Triple Net Properties, LLC, Mr. Rogers assisted in the formation of Triple Net in 1998 as outside legal counsel, founding member and President from 2004-2007. Under Mr. Rogers' leadership, Triple Net became the nation's largest Tenant In Common (TIC) sponsor and syndicated in excess of $5 billion of real estate in over 100 offerings, including TIC offerings, Real Estate Investment Trusts (REITs) and real estate funds. Triple Net was reorganized as NNN Realty Advisors and, subsequently, merged with Grubb & Ellis Co. Prior to becoming President of Triple Net in 2004, Mr. Rogers was an influential tax, securities, and real estate attorney. He was a partner with the Hirschler Fleischer law firm in Richmond, Virginia (1987-2004), where he founded and led the firm's Real Estate Securities Practice Group. Mr. Rogers was responsible for billions of dollars of DST, TIC, REIT and fund offerings as an attorney and executive officer. Mr. Rogers earned a B.S. from Northeastern University in 1979 (with highest honors), a B.A. (with honors) in 1981 and M.A. in 1985 in Jurisprudence from Oxford University, and a J.D. in 1984 from University of Virginia School of Law. He is a former Adjunct Professor of Law

at the Marshall-Wythe School of Law at the College of William and Mary and Lecturer at the University of Virginia School of Law. In 2017, Mr. Rogers was a finalist for the 2017 EY Entrepreneur of the Year Mid-Atlantic. In 2020, 2021 and 2022, he was listed as one of the most powerful and influential leaders on the Virginia 500 Power List by Virginia Business, was awarded Real Estate Forum's Best Bosses 2020 by GlobeSt. and in 2022 was recognized as an Influencer in Multifamily Real Estate by GlobeSt Real Estate Forum. He was honored by the Virginia-West Virginia chapter of the National MS Society as the 2022 recipient of the Frank N. Cowan Silver Hope Award.

Whitson Huffman, Co-Chief Executive Officer – Mr. Huffman is responsible for sourcing and acquiring a wide variety of mixed-use multifamily, office and retail properties at Capital Square. Prior to Capital Square, Mr. Huffman was an Associate at JBG Smith (formerly The JBG Companies), a NYSE-listed REIT and Fund Manager with a $4.5 billion market capitalization. While at JBG Smith, he developed 1,300 residential units and over 210,000 square feet of retail with a total capitalized value of over $650 million. He also sought entitlements for over 1,500 residential units and 350,000 square feet of retail, with a projected capitalized value of over $400 million. Prior to joining JBG Smith, he was employed as a consultant in the financial services group at Ernst & Young, working on multifaceted banking and capital markets projects for systemically important financial institutions. He earned a B.S. from Miami University Farmer School of Business, Finance and a Master of Real Estate, Finance from Georgetown University. He is very active in a number of programs, including ULI Young Leaders Program; NAIOP; Chairman, National Capital Chapter Ducks Unlimited; and Juvenile Diabetes Research Foundation, Real Estate Games Committee Member.

Jeffrey A. Gregor, Chief Legal Officer – Prior to joining the Sponsor, Mr. Gregor served as General Counsel and Executive Vice President for Daymark Realty Advisors (formerly known as Grubb & Ellis Realty Investors and Triple Net Properties), a wholly owned subsidiary of Grubb & Ellis Company, serving more than 5,200 clients and overseeing a nationwide portfolio of commercial property totaling approximately 33 million square feet, including over 8,700 apartment units. In this role, Mr. Gregor was responsible for managing the company's legal department, including all material contracts, corporate compliance, entity maintenance, structured finance and loan modifications/workouts, acquisitions and dispositions of real estate, real estate finance, leasing, joint ventures and strategic acquisitions, risk management, investor relations, litigation and outside counsel management, and employment matters. He was responsible for the structuring, drafting and implementation of all private placement offerings for real estate securities and fund investments. Mr. Gregor left that position upon the sale of Daymark by Grubb & Ellis Company. Prior to Daymark Realty Advisors, Mr. Gregor served as Senior Corporate and Securities Counsel for Grubb & Ellis Company for nearly four years. In this role, Mr. Gregor managed the private real estate securities legal department, which had a portfolio of assets valued in excess of $5.7 billion located throughout 30 states and completed acquisition and disposition volume totaling approximately $10 billion on behalf of program investors. Prior to Grubb & Ellis Company, Mr. Gregor was a senior associate and member of a nationally recognized real estate securities practice group at Hirschler Fleischer, a Richmond, Virginia based law firm, where he had a broad-based business, finance and securities practice representing sponsors, borrowers, sellers and purchasers in various business, real estate and securities transactions ranging from $100,000 to more than $100,000,000. Mr. Gregor is a graduate of The University of Richmond School of Law (J.D., cum laude, 2000) and St. Mary's College of Maryland, a public honors college (B.A., philosophy, 1993).

Jacqueline Rogers, Chief Communications and Operating Officer – Ms. Rogers built her career at several of the most influential companies in the nation, with an emphasis on cutting-edge technology, branding and marketing. She recently served as Chief Communications Officer of the Sponsor, where she oversaw branding, marketing, investor relations, communications, strategy and implementation, and as the head of brand program management at Amazon Music. During her time there, Ms. Rogers spearheaded the organization's largest strategic initiative, the development of a new Amazon Music global brand platform and design refresh that serves as the customer-facing expression of the organization. Previously, she was the director of design operations and program management for Lyft, where she developed strategically aligned programs and processes across the company's product design team. Throughout her career, Ms. Rogers has created impactful advertising and marketing campaigns across an array of brands, including BMW, Hilton Hotels & Resorts, Lincoln Motor Company, Marriott International, Four Seasons Hotels, Soul Cycle and The Ritz-Carlton. She began her career by co-founding the marketing team at Tumblr, where she helped shape the startup brand into a world-renowned social networking brand. Ms. Rogers earned a bachelor's degree in communications studies and English, with an emphasis in journalism, from Christopher Newport University, a master's degree in advertising and brand strategy from The Brandcenter at Virginia Commonwealth University, and an MBA from the University of Virginia's Darden School of Business.

Donna Sperounis, Chief Financial Officer – Ms. Sperounis has decades of experience as a financial executive at various real estate investment and development firms Prior to joining the Sponsor, Ms. Sperounis most recently served as Chief Financial Officer and Chief Operations Officer at Dakota Partners, a real estate developer and builder in Massachusetts. Ms. Sperounis also served as Chief Financial Officer of Alliance Capital from April 2014 to September 2017, Chief Accounting Officer and Chief Operating Officer of Plymouth REIT from February 2009 to April 2014, and Senior Vice President of Operations of Franklin Street Properties Corp. from September 2000 to February 2009. Ms. Sperounis received her bachelor's degree in Business Administration and Accounting from Ashford University.

Angela Inge, Chief Accounting Officer – Ms. Inge joined the Sponsor in 2021 and is primarily responsible for the oversight of the company's accounting function with specific focuses on REITs, DSTs, development and private equity. With over 15 years of experience in the accounting field, Ms. Inge has an advanced knowledge of US GAAP, internal controls and SEC reporting, as well as technical accounting issues, such as business combinations/asset acquisitions, debt and equity transactions, consolidation, leases and revenue recognition. Previously, Ms. Inge was a senior manager at Ernst & Young in the assurance practice, serving a variety of both public and private clients in numerous industries, including real estate, consumer products and healthcare. Ms. Inge earned a bachelor's degree in accounting and economics from the College of William and Mary. She is a Certified Public Accountant (CPA).

Adam Stifel, Chief Development Officer – Prior to joining the Sponsor, Mr. Stifel founded Hook Properties, a real estate development firm based in Washington, D.C. Prior to founding Hook Properties, Mr. Stifel was the co-founder and co-owner of CAS Riegler Companies, a full-service real estate development firm specializing in urban in-fill projects in Washington, D.C. Mr. Stifel has personally sponsored and delivered over $400 million in real estate value over the past decade, primarily in the form of multi-family development. As the owner of CAS Riegler Cos., and Hook Properties, Mr. Stifel managed the acquisition, financing, entitlements and all aspects of development management for an array of multi-family projects with a wide variety of complexities, including (i) The Colonel, located at 1250 9th street NW, Washington DC, a fully stabilized mixed-use development requiring a $42 million capitalization, which involved a complicated design of both ground up construction and historic restoration and included a 20% increase to by-right density and full historic review, (ii) Holm, located at 1101 9th St, NW, Washington, DC, a fully stabilized mixed-use development requiring a $26 million capitalization, which was a ground-up urban in-fill project in the Logan Circle neighborhood and included entitlements garnering a reduction in parking requirements and an increase in density and height over by-right zoning, (iii) The Mill, located at 515 N. Washington St, Alexandria, Virginia, a fully stabilized multifamily development requiring a $25 million capitalization, which involved a federal and state historic tax credit syndication and included a ground-up, for-sale component and the repurposing of a nearly 200 year old mill on a federally protected boulevard, and (iv) South Cathedral Mansion, located at 3000 Connecticut Ave, NW Washington, D.C., a fully stabilized multifamily development requiring a $70 million capitalization, which value-add project included an extremely complicated TOPA process, unraveling rent-control, and a federally protected historic property. Mr. Stifel has also delivered a multitude of boutique and mid-sized condominium and apartment buildings in the Washington, D.C. region and has a history of successfully navigating urban-in fill projects which regularly include historic complexity, contentious neighborhoods, entitlement hurdles, and complicated construction types. Mr. Stifel also co-founded Snead Construction and the Property Portfolio, providing property management services. Having started his career as a commercial real estate broker, Mr. Stifel has been in the Washington real estate industry since 2003, and started his first company, CAS Riegler, in 2009. He earned a Bachelor of Science in History from the University of Denver in 2003.

James Brunger, Chief Sales Officer – Prior to joining the Sponsor, he was Senior Vice President at LaSalle Investments, a wholly owned subsidiary of Jones Lang LaSalle (JLL), managing distribution of REITs and Real Estate Products throughout the eastern United States. In this capacity, Mr. Brunger worked with leading FINRA-licensed broker-dealers and Registered Investment Advisers. Investments in the flagship REIT, JLL Income Property Trust, grew from seed investment to $1.8 billion during his tenure. Mr. Brunger served as the National Sales Manager for Sterling Foundation Management managing a team of professionals assisting family offices and ultra-high net worth individuals in formations and management of Private Family Foundations, Donor Advised Funds, and Charitable Trusts. He was a Regional Vice President at New York Life/MainStay Investments responsible for wire house broker dealer distribution, where he facilitated over $300 million of annual sales of investment and insurance related products. Mr. Brunger also served as Regional Vice President for Fidelity Charitable Services (a Fidelity Investments Company)

working with attorneys, accountants, and families structuring donations of private business interests, real estate, private stock, and public stock into the Fidelity Charitable Gift Fund, a national donor advised fund program that grew from $700 million to over $2.5 billion in annual gifts. Mr. Brunger holds the Chartered Advisor in Philanthropy (CAP) designation from The American College and FINRA licenses Series 6, 7, 63, and 66. He received B.A. degrees in English and Political Science from the University of Vermont.

Dave Platter, Managing Director, Co-Head of Private Equity – Mr. Platter is a managing director and co-head of private equity at Capital Square. Prior to joining the company, Mr. Platter served as executive director, private equity for The Amherst Group. Previously, Mr. Platter was the co-founder of Southern Creek Capital, a boutique investment manager in the single-family rental and multifamily spaces. He previously worked at the JBG Companies (now JBG SMITH Properties; NYSE: JBGS), where he was responsible for the development of more than $500 million of multifamily and mixed-use properties. His career began in the asset management division of JPMorgan Chase & Co. Mr. Platter received a bachelor's degree from The University of Virginia and a Master of Business Administration from Duke University's Fuqua School of Business.

Jon Trott, Managing Director, Co-Head of Private Equity. Mr. Trott is a managing director and co-head of private equity at Capital Square. Prior to joining the company, Mr. Trott helped lead the private equity team of The Amherst Group's build-for-rent division, responsible for capital raising, acquisition sourcing and overall division management. Previously, Mr. Trott was an investment professional with Spear Street Capital, a San Francisco-based real estate private equity firm. He began his career with JPMorgan Chase & Co., one of the globe's leading financial services firms, where he reported to the chief executive officer of asset management and was involved in the execution of key mergers and acquisitions transactions, as well as strategic initiatives. He earned a bachelor's degree from Tufts University and a Master of Business Administration from Harvard Business School.

Mark Mercado, Executive Vice President, Investment Programs & Operations. Mr. Mercado serves as Executive Vice President, Investment Programs and Operations at Capital Square. His specialties include product development, closing, investor relations, acquisitions, key accounts, operations, and due diligence. Mr. Mercado came to Capital Square after his time as vice president of private offerings at SmartStop Asset Management, where he headed operations and assisted with the launch of private REIT and DST offerings. Earlier in his career, Mr. Mercado acted as product manager of private offerings with a national real estate sponsor and as a tenant-in-common closing manager with Grubb & Ellis and its predecessor, Triple Net Properties. In the past 20 years, Mr. Mercado has closed more than $3.5 billion in investor equity.

Colleen Nichols, Associate General Counsel – Prior to joining the Sponsor, Ms. Nichols was an associate attorney with the real estate and securities practice groups of several Richmond, Virginia law firms, including Kaplan Voekler Cunningham & Frank, PLC, Moran Reeves & Conn PC and most recently, Peake Law Group, PC. Throughout her time in private practice, Ms. Nichols represented clients in commercial real estate transactions, wherein she negotiated and drafted purchase and sale agreements, leases, loan documents and other documents related to commercial real estate acquisitions, dispositions and development. In this role, Ms. Nichols also drafted private placement memoranda and subscription documentation for private securities offerings under Rules 506(b) and (c) of Regulation D of the Securities Act, with a particular emphasis on real estate-related securities and tax-advantaged transactions, including Delaware statutory trusts, real estate funds and offerings of undivided TIC interests in real estate, and oversaw SEC and state-level securities compliance reporting, including compliance with blue sky filing laws and state regulatory commissions. In addition, Ms. Nichols regularly advised clients on general business, corporate and securities matters, including entity formation and dissolution, mergers and acquisitions and ongoing corporate governance. Ms. Nichols is a graduate of William & Mary Law School (J.D., cum laude, 2013) and the University of Virginia (B.A. with distinction in English and American Studies, 2010).

Alyssa Haun, Associate General Counsel – Ms. Haun has over 20 years of experience as a commercial real estate lawyer. She regularly provided counsel to investors, developers, non-traded REITs, and other clients on the acquisition, development, financing, leasing, and disposition of various types of commercial real estate. She also represented lenders in the documentation and negotiation of real estate loans and has advised clients on loan restructuring and foreclosure issues. Prior to joining Capital Square, Ms. Haun was a partner in the real estate and finance practice group of Moran Reeves & Conn, a Richmond, Virginia-based law firm. Previously, she was an attorney in the real estate practice groups of several Virginia law firms, including Kaplan Voekler Cunningham &

Frank and McGuireWoods. Ms. Haun earned a Juris Doctorate degree from the George Washington University Law School, where she graduated with honors, and a bachelor's degree with honors from the College of William and Mary.

Natalie Mason, Executive Vice President, Development – Ms. Mason brought 13 years of real estate experience to her role at the Sponsor, with a majority of those years spent overseeing development projects in San Francisco. Prior to joining the firm, she was senior director at Tishman Speyer, where she oversaw the financing, construction, delivery and sale of more than 1,200 residential units. In this role, Ms. Mason led the internal project team, implemented a residential sales and marketing strategy, and was responsible for overall financial performance, coordination with design and construction professionals and the hiring of critical vendors. While at Tishman Speyer, Ms. Mason's many accomplishments included MIRA, a 392-unit condominium development in downtown San Francisco. Ms. Mason helped shepherd the project through the COVID-19 pandemic, delivering the project in June 2020. Ms. Mason also led the development process for LUMINA, a 647-unit condominium project in downtown San Francisco. LUMINA delivered in four phases beginning in 2015, and set a new watermark at the time for price per square foot in San Francisco. Prior to her tenure at Tishman Speyer, Ms. Mason spent time as project manager for the Office of the Deputy Mayor for Planning and Economic Development for the Government of the District of Columbia. Ms. Mason graduated from Princeton University with a bachelor's degree, with honors, in Slavic Languages and Literatures with a certificate in Russian Studies. She earned an MBA from The Wharton School with a focus on real estate as well as a Master of International Studies degree with a focus on Russian from the Lauder Institute of Management & International Studies at the University of Pennsylvania.

Chris Hirth, Senior Vice President, Asset Management – Mr. Hirth focuses on asset management for the Sponsor, where he oversees a portfolio of office, retail and multifamily properties. He has eight years of experience in the management of both multifamily and commercial real estate. Mr. Hirth joined the Sponsor from CBRE | Richmond, where he managed a portfolio of over 1 million square feet of space, consisting of 25 office and flex properties in the Richmond area. Prior to his time at CBRE | Richmond, Mr. Hirth managed several multi-family properties in Richmond and Virginia Beach for PRG Real Estate. Mr. Hirth holds a bachelor's degree in business management from Virginia Tech in Blacksburg, Virginia.

Jerad Nielsen, Vice President, Asset Management – In his position as Vice President, Asset Management, with the Sponsor, Mr. Nielsen is primarily responsible for net-leased medical, office, industrial and retail properties across the nation. Prior to joining Capital Square, Mr. Nielsen was a senior portfolio manager and team leader at Cushman & Wakefield | Thalhimer for eight years, where he worked with institutional and private real estate companies. During his tenure, Mr. Nielsen oversaw a team of portfolio managers and managed a diverse portfolio over 5 million square feet. Mr. Nielsen holds a bachelor's degree in business, majoring in real estate and urban land development, from Virginia Commonwealth University in Richmond, Virginia. He is designated as a Certified Commercial Investment Member (CCIM) by the CCIM Institute, as well as a Certified Property Manager (CPM) by the Institute of Real Estate Management.

Jorge Figueiredo, Senior Vice President, Co-Director of Acquisitions – Mr. Figueiredo is a real estate professional with over a decade of experience. Mr. Figueiredo was most recently a Partner with Cornerstone Realty Advisors, LLC. In his role with Cornerstone, he was responsible for acquisitions, from sourcing targeted real estate to due diligence, financing, and settlement. He was also tasked with aiding in the effort to raise private equity. From January 2015 through the sale of Landmark Apartment Trust to Starwood Capital Group and Milestone Management in January 2016, Mr. Figueiredo was the Vice President of Management Services for Landmark Apartment Trust. In this role, Mr. Figueiredo was responsible for risk management, ancillary income, national vendor partnerships, and construction. Mr. Figueiredo worked closely with the operations team to analyze and track current programs as well as implement new strategic initiatives in order to minimize risk and maximize value. Mr. Figueiredo joined Landmark in 2007 and prior to his current role he has held titles including Acquisition Associate, Asset Manager, and Director of Ancillary Income. In addition to his experience in management of Landmark's 33,000-unit apartment portfolio, Mr. Figueiredo has gained extensive experience in acquisitions and dispositions by participating in over $1 billion in multi-family real estate transactions. Prior to joining Landmark, Mr. Figueiredo was a Realtor involved in single-family real estate transactions. Mr. Figueiredo earned his B.S. degree from James Madison University in 2005.

Mark Luzzi, Senior Vice President, Co-Director of Acquisitions - Mr. Luzzi serves as Senior Vice President, Co-Director of Acquisitions at Capital Square and is focused on sourcing, underwriting and financing new

investment opportunities for the Sponsor. Mr. Luzzi previously held positions at Thelius Capital Partners and the JBG Companies (now JBG SMITH Properties; NYSE: JBGS), where he focused on the acquisition and development of multifamily and mixed-use properties. Mr. Luzzi graduated from Cornell University with a B.S. in Industrial and Labor Relations with minors in both Real Estate and Business.

Jacob Baum, Senior Vice President, Acquisitions and Development – Mr. Baum is responsible for leading all aspects of the development process from acquisition through stabilization for Capital Square. Prior to joining Capital Square, he served as Development Manager at Hook Properties, where he developed multifamily projects in the Mid-Atlantic region. Mr. Baum also worked at CAS Riegler Companies and ComfortSystems USA in construction management, successfully completing a wide range of projects from infill multifamily and mixed-use to institutional laboratory and classroom buildings. Mr. Baum earned a Bachelor of Science in Mechanical Engineering from the University of Virginia and a Master of Professional Studies in Real Estate from Georgetown University.

Ware Smalley, Vice President, Acquisitions – Mr. Smalley focuses on the underwriting, financing and due diligence of new investments for the Sponsor. Mr. Smalley has over five years of commercial real estate experience spanning acquisitions, lending and asset management. Prior to joining Capital Square, he served as an Analyst with American Capital, in Bethesda, Maryland, where he originated bridge loans and managed a portfolio of CMBS B-notes. Prior to joining American Capital, Mr. Smalley launched an Asset Management division for the Calkain Companies, of Reston, Virginia. Mr. Smalley received a Bachelor of Science from the University of Virginia and a Master of Business Administration from UVA, Darden School of Business.

The Memorandum will be deemed to include this Supplement #3, and to the extent the Memorandum and this Supplement #3 are inconsistent, the Memorandum will be deemed to be superseded by this Supplement #3 with respect to the inconsistency.

This Supplement #3 is not to be reproduced or used for any other purpose. No person has been authorized to make any statement concerning the Offering other than as set forth in the Memorandum, and any such statement, if made, should not be relied upon.

The Offering has not been approved or disapproved by the Securities and Exchange Commission or the securities regulatory authority of any state, nor has the Securities and Exchange Commission or any securities regulatory authority of any state passed upon the accuracy or adequacy of the Memorandum, including this Supplement #3. Any representation to the contrary is a criminal offense. The Investor Units will only be offered and sold to "accredited investors" as that term is defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended.

The Investor Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended, and such laws pursuant to registration or exemption therefrom. In making an investment decision, prospective Investors must rely on their own examination of the person or entity creating the Investor Units and the terms of the Offering, including the merits and risks involved. Additionally, there are significant risks associated with the Offering. See "RISK FACTORS" section of the Memorandum.

The Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The Memorandum has not been filed with the Securities and Exchange Commission, any securities administrator under state securities laws or any other governmental or self-regulatory authority. No governmental or self-regulatory authority has passed on the merits of the Offering or the adequacy of the Memorandum. Any representation to the contrary is unlawful.

SUPPLEMENT #2 TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
CAPITAL SQUARE GLENDALE BFR, LLC

Dated: October 6, 2023

This Supplement #2 (the "**Supplement #2**") updates, through October 6, 2023, the information previously provided in the Confidential Private Placement Memorandum dated July 26, 2023 (the "**Memorandum**"), as supplemented by Supplement #1 dated September 25, 2023 ("**Supplement #1**"), which describes the offering (the "**Offering**") of membership interests (the "**Investor Units**") in Capital Square Glendale BFR, LLC (the "**Fund**"). The Offering of the Investor Units is made exclusively by the Memorandum. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Memorandum. This Supplement #2 is being furnished for your information on a confidential basis so that you may consider your investment in the Investor Units described herein and in the Memorandum and should be read together with the Memorandum.

SUMMARY OF CHANGES TO THE OFFERING

This Supplement #2 announces that the Manager has adjusted the underwriting in its Pro Forma to reflect that the projected costs associated with its use of Capital Square's internal funds to satisfy the Fund's capital contributions to the Joint Venture have decreased significantly, resulting in an increase in the projected returns to the Investors.

PRO FORMA

In the Pro Forma that was attached to the Memorandum as Exhibit C (the "**Pro Forma**"), the Manager underwrote the projected costs associated with its use of Capital Square's internal funds to satisfy the Fund's capital contributions to the Joint Venture until such time that the Fund raises sufficient proceeds in this Offering to reimburse Capital Square for the use of such internal funds by assuming a charge of **20% per annum** for a term of 24 months, with interest payments made monthly. At the time, that was the market rate for similar funds provided by a credit facility.

Since the launch of the Offering, the interest rate charged by Capital Square's third-party mezzanine financing provider has decreased significantly, which in turn has reduced the projected carrying costs associated with the Manager's use of Capital Square's internal funds. The Manager has adjusted the underwriting in its Pro Forma to reflect this current rate and is now assuming that the costs associated with its use of Capital Square's internal funds to satisfy the Fund's capital contributions to the Joint Venture will equate to a charge of **12% per annum** for a term of 30 months, with interest payments made monthly.

This change in the assumptions has resulted in an increase in the projected returns to the Investors, with projected IRR and projected total returns increasing by 0.1% and 0.7%, respectively, from what was projected in the original Pro Forma.

Accordingly, the Pro Forma that was attached to the Memorandum as Exhibit C is hereby deleted in its entirety and replaced in its entirety with the Pro Forma attached hereto.

PLAN OF DISTRIBUTION

Due to the changes discussed in the Pro Forma section above, the Manager expects that it will need less equity to accomplish the Fund's objectives than originally contemplated in the Memorandum. Rather than needing $49,375,000 (subject to increase to $56,782,000) of Investor Units, the Manager projects that it will only need $49,170,000 of Investor Units and expects to close out the Offering once it receives that amount of equity investments in the Fund, provided that no unforeseen circumstances arise that result in the need for additional equity. The updated Pro Forma that is attached hereto as Exhibit C illustrates the projected returns to Investors assuming a Maximum Offering Amount of $49,170,000. Notwithstanding the foregoing, the Manager reserves the right to increase the Maximum Offering Amount to $56,782,000, as set forth in the Memorandum.

RISK FACTORS

The second to last sentence in the Risk Factor entitled "Sponsor Funds" is hereby amended to reflect that the costs associated with the Manager's use of Capital Square's internal funds have been projected by underwriting a charge of **12% per annum** for a term of 30 months, with interest payments made monthly, which is the current market rate for similar funds provided by a credit facility.

The Memorandum will be deemed to include this Supplement #2, and to the extent the Memorandum and this Supplement #2 are inconsistent, the Memorandum will be deemed to be superseded by this Supplement #2 with respect to the inconsistency.

This Supplement #2 is not to be reproduced or used for any other purpose. No person has been authorized to make any statement concerning the Offering other than as set forth in the Memorandum, and any such statement, if made, should not be relied upon.

The Offering has not been approved or disapproved by the Securities and Exchange Commission or the securities regulatory authority of any state, nor has the Securities and Exchange Commission or any securities regulatory authority of any state passed upon the accuracy or adequacy of the Memorandum, including this Supplement #2. Any representation to the contrary is a criminal offense. The Investor Units will only be offered and sold to "accredited investors" as that term is defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended.

The Investor Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended, and such laws pursuant to registration or exemption therefrom. In making an investment decision, prospective Investors must rely on their own examination of the person or entity creating the Investor Units and the terms of the Offering, including the merits and risks involved. Additionally, there are significant risks associated with the Offering. See "RISK FACTORS" section of the Memorandum.

The Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The Memorandum has not been filed with the Securities and Exchange Commission, any securities administrator under state securities laws or any other governmental or self-regulatory authority. No governmental or self-regulatory authority has passed on the merits of the Offering or the adequacy of the Memorandum. Any representation to the contrary is unlawful.

EXHIBIT C

PRO FORMA

Projected Investor Cash Flows							
			T-0	Year 1	Year 2	Year 3	Year 4	Year 5
			Jan-23	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28
Equity Investment			($11,059,567)	($2,920,263)	($13,290,271)	($11,767,303)	($0)	($0)
Property Cash Flow			–	–	–	–	$77,477,847	–
Gross Fund Cash Flow			($11,059,567)	($2,920,263)	($13,290,271)	($11,767,303)	$77,477,847	($0)
JV Load								
Sponsor Fees			($780,748)	($983,391)	($983,391)	($983,391)	($983,391)	–
Selling Costs			($4,917,000)	–	–	–	–	–
Carrying Costs			–	($500,843)	–	–	–	–
Net Cash Flow to Investor	**IRR:**	**17.1%**	($16,757,315)	($4,404,497)	($14,273,662)	($12,750,694)	$76,494,456	($0)
	Total Return:	**158.2%**						
	Profit:	**$28,308,288**						

Projected Investor Cash Flows - $100k Commitment							
			T-0	Year 1	Year 2	Year 3	Year 4	Year 5
			Jan-23	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28
Equity Investment			($22,952)	($6,060)	($27,581)	($24,421)	($0)	($0)
Property Cash Flow			–	–	–	–	$160,789	–
Gross Fund Cash Flow			($22,952)	($6,060)	($27,581)	($24,421)	$160,789	($0)
JV Load								
Sponsor Fees			($1,620)	($2,041)	($2,041)	($2,041)	($2,041)	–
Selling Costs			($10,204)	–	–	–	–	–
Carrying Costs			–	($1,039)	–	–	–	–
Net Cash Flow to Investor	**IRR:**	**17.1%**	($34,776)	($9,141)	($29,622)	($26,461)	$158,748	($0)
	Total Return:	**158.2%**						
	Profit:	**$58,748**						

Projected Investor Cash Flows - $1M Commitment							
			T-0	Year 1	Year 2	Year 3	Year 4	Year 5
			Jan-23	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28
Equity Investment			($229,517)	($60,604)	($275,811)	($244,205)	($0)	($0)
Property Cash Flow			–	–	–	–	$1,607,886	–
Gross Fund Cash Flow			($229,517)	($60,604)	($275,811)	($244,205)	$1,607,886	($0)
JV Load								
Sponsor Fees			($16,203)	($20,408)	($20,408)	($20,408)	($20,408)	–
Selling Costs			($102,042)	–	–	–	–	–
Carrying Costs			–	($10,394)	–	–	–	–
Net Cash Flow to Investor	**IRR:**	**17.1%**	($347,762)	($91,406)	($296,219)	($264,613)	$1,587,477	($0)
	Total Return:	**158.2%**						
	Profit:	**$587,477**						

Investor Load Summary			
Sponsor Fees			
AM Fee	2.00%	Annual	(3,933,565)
Equity Placement Fee	2.00%	One time	(780,748)
Selling Costs			
Organization and Offering Expenses	1.00%	One time	(491,700)
Selling Commissions	6.50%	One time	(3,196,050)
Marketing and Due Diligence Allowance	0.50%	One time	(245,850)
Managing Broker-Dealer Fee	1.00%	One time	(491,700)
Wholesaling Fee	1.00%	One time	(491,700)
			(500,843)

*Accrued only during fundraising period

Estimated Use of Proceeds		
	Amount	Percentage of Gross Proceeds
Gross Offering Proceeds (Rounded '000)	$49,170,000	100.0%
Organization and Offering Expenses	$491,700	1.00%
Selling Commissions	$3,196,050	6.50%
Marketing and Due Diligence Allowance	$245,850	0.50%
Managing Broker-Dealer Fee	$491,700	1.00%
Wholesaling Fee	$491,700	1.00%
Amount Available for Investment*	$44,253,000	90.0%
Total Application (Rounded '000)	$49,170,000	100.0%

*Includes Sponsor Fees and Carrying Costs

Project Information	
Project	Northern Pkwy and Sarival
Location	Glendale
Land Close	9/21/2023
Land SF	1,262,318
Acres	28.98
Zoning	Commercial / MF - 12 Maxdu/AC

Sources & Uses					
Capital Uses		**$ Amt.**	**% of Tot.**	**$ / Unit**	**$ / RSF**
Land + Tax Costs		15,099,969	12.4%	$47,187	$34.10
Hard Costs		79,459,153	65.0%	$248,310	$179.44
FF&E		650,000	0.5%	$2,031	$1.47
Soft Costs		9,828,772	8.0%	$30,715	$22.20
Financing Costs		2,493,093	2.0%	$7,791	$5.63
Capitalized Interest		9,755,770	8.0%	$30,487	$22.03
Contingency		3,972,958	3.2%	$12,415	$8.97
Reserves		996,177	0.8%	$3,113	$2.25
Total Capital Uses		**122,255,893**	**100.0%**	**$382,050**	**$276.09**
Capital Sources		**$ Amt.**		**$ / Unit**	**$ / RSF**
Construction Loan		78,100,000	63.9%	$244,063	$176.37
Project LP	90.0%	39,740,304	32.5%	$124,188	$89.74
GP	10.0%	4,415,589	3.6%	$13,799	$9.97
Total Capital Sources		**122,255,893**	**100.0%**	**$382,050**	**$276.09**

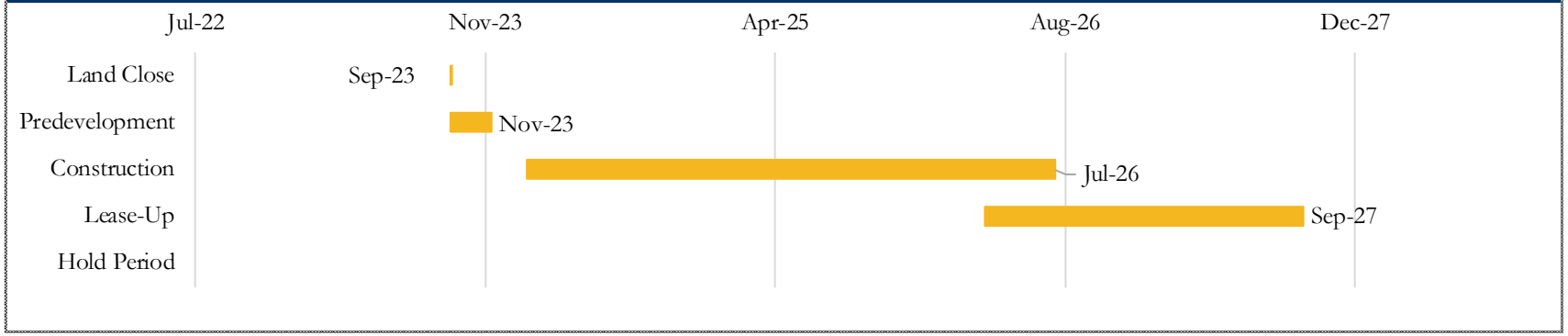
Unit Mix

Type	BR	BA	Units	% of Tot.	Sq. Ft.	Total	Rent	Rent / SF
Detached 3 Bed	3	2.5	12	3.8%	1,559	18,708	$2,675	$1.72
Detached 4 Bed	4	2.5	90	28.1%	1,668	150,120	$2,825	$1.69
Townhome 2 Bed	2	2.5	92	28.8%	1,054	96,968	$2,200	$2.09
Townhome 3 Bed Small	3	2.5	48	15.0%	1,265	60,720	$2,450	$1.94
Townhome 3 Bed Large	3	2.5	78	24.4%	1,491	116,298	$2,500	$1.68
Total / Weighted Avg.			**320**	**100.0%**	**1,384**	**442,814**	**$2,504**	**$1.81**

Pro-Forma Summary

			Untrended			Stab. Yr. 1: 07/27 - 06/28		
			$ Amt.	$ / Unit	$ / RSF	$ Amt.	$ / Unit	$ / RSF
Residential Income			9,616,200	$30,051	$21.72	11,364,807	$35,515	$25.66
Stabilized Concessions			--	--	--	(56,633)	($177)	($0.13)
Net Effective Rent	**Variable**		**9,616,200**	**$30,051**	**$21.72**	**11,308,174**	**$35,338**	**$25.54**
RUBS	Y		486,400	$1,520	$1.10	543,461	$1,698	$1.23
Other Income	Y		627,200	$1,960	$1.42	700,778	$2,190	$1.58
Total Income			**10,729,800**	**$33,531**	**$24.23**	**12,552,414**	**$39,226**	**$28.35**
Vacancy & Credit Loss & Empl Unit			(596,845)	($1,865)	($1.35)	(698,218)	($2,182)	($1.58)
Effective Gross Revenue			**10,132,955**	**$31,665**	**$22.88**	**11,854,195**	**$37,044**	**$26.77**
	Variable							
Payroll	N		480,000	$1,500	$1.08	536,310	$1,676	$1.21
Marketing	N		80,000	$250	$0.18	89,385	$279	$0.20
Utilities	Y		512,000	$1,600	$1.16	572,064	$1,788	$1.29
R&M	Y		96,000	$300	$0.22	107,262	$335	$0.24
Turnover	Y		96,000	$300	$0.22	107,262	$335	$0.24
Contract Services	N		112,000	$350	$0.25	125,139	$391	$0.28
Real Estate Taxes	N	5.00%	782,963	$2,447	$1.77	822,111	$2,569	$1.86
Insurance	N		80,000	$250	$0.18	89,385	$279	$0.20
Management Fee			278,656	$871	$0.63	296,355	$926	$0.67
Administration and HOA	N		64,000	$200	$0.14	71,508	$223	$0.16
Reserves			48,000	$150	$0.11	53,631	$168	$0.12
Total Op. Expenses			**2,629,619**	**$8,218**	**$5.94**	**2,870,413**	**$8,970**	**$6.48**
Net Operating Income			**7,503,336**	**$23,448**	**$16.94**	**8,983,783**	**$28,074**	**$20.29**
ROC			***74%***		***6.1%***			***7.3%***
Controllable Expenses			*1,488,000*	*$4,650*	*$3.36*	*1,662,562*	*$5,196*	*$3.75*
Uncontrollable Expenses			*1,141,619*	*$3,568*	*$2.58*	*1,207,851*	*$3,775*	*$2.73*

Development Timeline



Returns Summary (63.9% LTC, 48 Mo Hold, 5.00% Exit Cap)

Exit Assumptions	
Sale $	$182,490,739
/unit	$570,284
/psf	$412
Date	30-Sep-27

Returns	Unlevered	Levered	CS LP
IRR	21.9%	35.5%	17.1%
Peak Equity	109,942,224	43,374,893	48,677,198
Net Profit	76,831,577	59,054,520	28,308,288
CFx	1.70x	2.36x	1.58x

SUPPLEMENT #1 TO
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
CAPITAL SQUARE GLENDALE BFR, LLC

Dated: September 25, 2023

This Supplement #1 (the "**Supplement #1**") updates, through September 25, 2023, the information previously provided in the Confidential Private Placement Memorandum dated July 26, 2023 (the "**Memorandum**"), which describes the offering (the "**Offering**") of membership interests (the "**Investor Units**") in Capital Square Glendale BFR, LLC (the "**Fund**"). The Offering of the Investor Units is made exclusively by the Memorandum. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Memorandum. This Supplement #1 is being furnished for your information on a confidential basis so that you may consider your investment in the Investor Units described herein and in the Memorandum and should be read together with the Memorandum.

SUMMARY OF CHANGES TO THE OFFERING

This Supplement #1 announces that the Property Owner has successfully closed on the acquisition of the Property and the Construction Loan.

This Supplement #1 also announces that the principal offices and mailing addresses of the Fund, its Manager and their affiliates will be changing effective October 4, 2023.

BUSINESS PLAN

Property Acquisition

On September 22, 2023, the Property Owner acquired the Property from a third-party seller for a purchase price of $13,254,339. The definition of "**Closing Date**" in the Memorandum is hereby updated to mean September 22, 2023.

Construction Loan

Also on the Closing Date, the Property Owner obtained a loan from Arbor Realty SR, Inc. (the "**Lender**") that funded a portion of the purchase price for the Property and will fund the construction and development of the Project (the "**Construction Loan**"). The Construction Loan (i) has a loan amount of up to $78,100,000; (ii) has a maturity date of September 21, 2026, with the option to extend for one additional term of twelve months; and (iii) requires interest only payments at a floating rate equal to the greater of (x) 7.50% per annum, and (y) one-month Term SOFR plus 4.25% per annum, provided that at no point during the term shall the Term SOFR be less than 3.25%. The Property Owner purchased an interest rate cap in a notional amount equal to the maximum loan amount at a strike rate of six percent (6%). The interest rate cap is set to expire on October 1, 2025. Upon such expiration, the Joint Venture plans to re-price a one-year interest rate cap to bridge the remainder of the Construction Loan term.

The Construction Loan is evidenced by a promissory note and secured by a deed of trust recorded against the Property. As further security for the Construction Loan, the Joint Venture pledged its equity interests in the Property Owner to the Lender pursuant to a pledge and security agreement. Copies of the loan documents will be made available upon request.

The risk factors relating to the closing of the Construction Loan and the acquisition of the Property by the Property Owner potentially failing to occur are hereby deleted in their entirety.

Construction Timeline

Project milestones achieved to date and a tentative schedule going forward, which is subject to change, are delineated below:

- Property Acquisition: September 22, 2023
- Closing of Construction Loan: September 22, 2023
- End of Predevelopment Period: November 30, 2023
- Start of Construction: January 31, 2024
- Start of Lease-Up: March 31, 2026
- End of Construction: July 31, 2026
- Stabilization: September 30, 2027
- Sale/Disposition: October 31, 2027

See the section of the Memorandum entitled "DESCRIPTION OF THE PROJECT" for a detailed description of the Project and the Pro Forma attached to the Memorandum as Exhibit C for a more detailed residential unit delivery schedule.

CONTACT INFORMATION

Effective October 4, 2023, the principal offices and mailing addresses of the Fund and the Manager will be 4851 Lake Brook Drive, Glen Allen, Virginia 23060. All references in the Memorandum to the principal offices and mailing addresses of the Fund, the Manager and their affiliates are hereby updated accordingly.

The Memorandum will be deemed to include this Supplement #1, and to the extent the Memorandum and this Supplement #1 are inconsistent, the Memorandum will be deemed to be superseded by this Supplement #1 with respect to the inconsistency.

This Supplement #1 is not to be reproduced or used for any other purpose. No person has been authorized to make any statement concerning the Offering other than as set forth in the Memorandum, and any such statement, if made, should not be relied upon.

The Offering has not been approved or disapproved by the Securities and Exchange Commission or the securities regulatory authority of any state, nor has the Securities and Exchange Commission or any securities regulatory authority of any state passed upon the accuracy or adequacy of the Memorandum, including this Supplement #1. Any representation to the contrary is a criminal offense. The Investor Units will only be offered and sold to "accredited investors" as that term is defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended.

The Investor Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended, and such laws pursuant to registration or exemption therefrom. In making an investment decision, prospective Investors must rely on their own examination of the person or entity creating the Investor Units and the terms of the Offering, including the merits and risks involved. Additionally, there are significant risks associated with the Offering. See "RISK FACTORS" section of the Memorandum.

The Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation. The Memorandum has not been filed with the Securities and Exchange Commission, any securities administrator under state securities laws or any other governmental or self-regulatory authority. No governmental or self-regulatory authority has passed on the merits of the Offering or the adequacy of the Memorandum. Any representation to the contrary is unlawful.

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

CAPITAL SQUARE GLENDALE BFR, LLC

Investor Units
Up to 49,375 Investor Units at $1,000 Per Unit
Minimum Purchase: 100 Investor Units ($100,000)
Maximum Offering Amount: Up to $49,375,000
(Subject to Increase to $56,782,000)

Capital Square Glendale BFR, LLC, a Virginia limited liability company (the "Fund"), has been formed to acquire a majority ownership interest in a newly formed Delaware limited liability company (the "Joint Venture") that is the sole owner of Northern Parkway BTR, LLC, a Delaware limited liability company (the "Property Owner"). The Joint Venture plans to develop a "build-for-rent" single-family rental community, comprising 320 Class A units, with an average unit size of 1,384 square feet, on approximately 29 acres at the intersection of Northern Parkway and North Sarival Avenue in Glendale, Arizona, a suburb of Phoenix (the "Property"). The development project is expected to include 218 townhome-style units with a mix of two- and three-bedroom floorplans, 102 detached villa-style units with a mix of three- and four-bedroom floorplans, a pool, a spa, a fitness center, a leasing office, pickleball courts, a grilling pavilion, gated entry, pocket parks, a dog run and a tot lot (sometimes referred to herein as the "Project"), as further described in this Confidential Private Placement Memorandum and exhibits hereto (the "Memorandum").

Capital Square Realty Advisors, LLC, a Virginia limited liability company ("Capital Square" or the "Sponsor"), has partnered with Sunstone Two Tree, LLC, a Delaware limited liability company ("Sunstone Two Tree") for this Project.

Capital Square is a national real estate firm headquartered in Richmond, Virginia specializing in tax-advantaged real estate investments, including Delaware statutory trusts ("DSTs") for 1031 Exchanges, qualified opportunity zone funds, development funds and a real estate investment trust ("REIT"). In recent years, the Sponsor has become an active developer of mixed-use multifamily properties in the southeastern U.S., with ten current projects totaling approximately 2,000 apartment units, with a total development cost in excess of $750 million. Since 2012, Capital Square has completed more than $7.5 billion in transaction volume. Capital Square's related entities provide a range of services, including due diligence, acquisition, loan sourcing, property/asset management and disposition, for a growing number of high-net-worth investors, private equity firms, family offices and institutional investors nationwide. Since 2017, Capital Square has been recognized by Inc. 5000 as one of the fastest growing companies in the nation. In 2017, 2018 and 2020, the Sponsor was also ranked on Richmond BizSense's list of fastest growing companies. Additionally, Capital Square was listed by Virginia Business on their "Best Places to Work in Virginia" report in 2019 and their "Fantastic 50" reports in 2019 and 2020.

Sunstone Two Tree is a vertically integrated operator, developer and fund manager with deep expertise and a successful track record. Since its founding in 2012, Sunstone Two Tree has raised six funds and acquired approximately 5,500 units. Starting in 2020, Sunstone Two Tree began developing medium to high-density single-family home (attached and detached) communities. These projects combine many of the benefits of single-family living (larger units, dedicated parking, private yards and lower tenant turnover) with the operating efficiencies of multifamily communities and cater to millennials who are finally entering the household formation stage and baby boomers who are entering their empty nester years and are looking to simplify their lifestyle and downsize. Currently, Sunstone Two Tree has a 2,000-home pipeline in various stages of development in high-growth markets across the Mountain West and Arizona. Together, Sunstone Two Tree's team has an average tenure of 20 years and has completed over $55 billion of real estate transactions. See the section of the Memorandum entitled "MANAGEMENT."

The capital members of the Joint Venture consist of (i) the Fund, (ii) Capital Square Glendale BFR Manager, LLC, a Virginia limited liability company (the "Manager"), which is the manager of the Fund, (iii) Sunstone Two Tree BTR, LLC, a Delaware limited liability company ("STT"), and (iv) CS Sunstone Two Tree Holdings, LLC, a Delaware limited liability company (the "CS Sunstone Promote Entity"). Sunstone Two Tree Advisors, LLC, a

Delaware limited liability company, is the manager of the Joint Venture (the "JV Manager"). STT, the CS Sunstone Promote Entity and the JV Manager are all owned and controlled by Sunstone Two Tree, with Capital Square owning thirty percent (30%) of the membership interests in the CS Sunstone Promote Entity. The Fund and the Manager are controlled by Capital Square.

The Joint Venture expects that the Property Owner will acquire the Property from a third-party seller ("Seller"), on or before September 21, 2023 (the "Closing"; the date upon which the Closing occurs is referred to as the "Closing Date").

The Manager, which is wholly owned by Capital Square, will manage the Fund and will make all decisions for the Fund. Investors will rely solely on the Manager to manage the Fund, and the Fund will rely on Sunstone Two Tree to develop, manage and operate the Project, although the Fund and the Manager will have substantial voting rights with respect to major decisions affecting the Joint Venture. See the section of this Memorandum entitled "MANAGEMENT – Major Decisions."

The Fund is seeking to raise up to $49,375,000 in investor subscriptions, subject to increase to up to $56,782,000 in the Manager's sole discretion, through this offering ("Offering") of membership interests in the Fund ("Investor Units"), subject to the terms of this Offering. The Manager believes that the Fund will generate attractive risk-adjusted returns in a hard asset investment not correlated to U.S. stock markets. The Manager reserves the right to raise additional equity or debt capital in or alongside the Fund or consent to investments in the Joint Venture by one or more additional funds, as the Manager deems necessary or advisable in order to develop the Project, which additional capital may be funded by third parties or affiliates of the Manager, including employees of Capital Square.

Except to the extent otherwise provided in the Articles of Organization or the Operating Agreement of the Fund (as the same may be further amended, the "Fund Operating Agreement"), investors will be entitled, based on their proportional ownership of Investor Units, to the operating cash flow of the Fund received from the Joint Venture and the net proceeds from any sale, exchange or refinance of the Property received from the Joint Venture, after payment or reimbursement of the Manager for expenses, amounts necessary to pay anticipated expenses of the Fund and other commissions and fees payable to the Manager and its affiliates.

An investment in Investor Units involves substantial risks including, but not limited to, the following, which are more completely described under the section entitled "RISK FACTORS."

- The Offering will be made on a "best efforts" basis with no minimum or maximum amount of aggregate capital to be raised by this Offering and no minimum amount of subscriptions that the Fund must receive as a condition to commencing its operations.
- The various risks associated with acquiring, financing, owning, constructing, leasing and operating single-family rental housing in Glendale, Arizona.
- The Investor Units do not represent a diversified investment, because the Fund's activities will be limited to the Property.
- The closing of the Construction Loan and the acquisition of the Property by the Property Owner may fail to occur.
- Although Capital Square and its affiliates have extensive experience in acquiring, developing, improving and operating multi-family and residential real estate, the Fund and the Manager were recently organized and do not have a significant operating history, and the Manager does not have significant assets. In addition, this is the second fund sponsored by Capital Square that involves "build-for-rent" single-family housing.
- Investors will rely on the Manager to manage the Fund and Sunstone Two Tree to manage the Project; although the Fund and the Manager will have substantial voting rights with respect to major decisions affecting the Joint Venture, Sunstone Two Tree will have broad discretion to make day-to-day decisions regarding the Property.
- Real estate development is an inherently risky activity.
- The Fund may not make capital distributions until the sale or refinancing of the Property, if at all.
- Real estate-related investments involve substantial risks.
- The Fund will pay substantial and continuing fees to Sunstone Two Tree, the Manager and their affiliates.

- The Investor Units will be highly illiquid; transferability of the Investor Units is restricted, and withdrawals of capital contributions are prohibited.
- Substantial actual and potential conflicts of interest exist among the Fund, the Manager, Capital Square, and their affiliates.
- An investor could lose all or a substantial portion of its investment in the Fund.

	Investment Cost[1]	Selling Commissions and Expenses [2]	Proceeds to the Fund [3]
Per Investor Unit	$1,000	$100	$900
Maximum Offering[4]	$49,375,000	$4,937,500	$44,437,500

(1) The minimum initial purchase is 100 Investor Units for a total purchase price of at least $100,000. The Manager reserves the right, in its sole discretion, to accept smaller subscriptions.

(2) Offers and sales of Investor Units will be made on a "best efforts" basis by broker-dealers ("Broker-Dealers," and collectively the "Selling Group") who are members of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Broker-Dealers will receive: (i) a selling commission of up to 6.5% of the gross proceeds ("Gross Proceeds") of the Offering ("Selling Commissions"), and (ii) a nonaccountable marketing and due diligence allowance of up to 2.5% of the Gross Proceeds, a portion of which may be paid out of the Organization and Offering Expense Allowance or other items of compensation payable to the Manager or an affiliate if elected by the Manager or such affiliate, as the case may be, in its sole discretion (the "Selling Group Allowances"). The Manager expects that Selling Group Allowances will average 1.00% of Gross Proceeds, as shown in the Estimated Use of Proceeds table. WealthForge Securities, LLC (the "Managing Broker-Dealer"), a member of FINRA, will act as Managing Broker-Dealer. In addition to the Selling Commissions and Selling Group Allowances, the Managing Broker-Dealer will receive a managing broker-dealer fee of up to 0.5% of the Gross Proceeds for serving as Managing Broker-Dealer (the "Managing B-D Fee"), and a wholesaling fee of up to 1.0% of the Gross Proceeds (the "Wholesaling Fee") may be paid to wholesalers. An organization, marketing and offering cost allowance (the "Organization and Offering Expense Allowance") of 1.0% of the Gross Proceeds will be paid to the Manager or its affiliate as reimbursement for expenses incurred in connection with the Offering, including, but not limited to, the costs of organizing the Fund and the Manager, marketing, legal, finance, and printing fees and expenses incurred in connection with this Offering, which it may reallow (in its sole discretion) to other members of the Selling Group on a nonaccountable basis. The Manager reserves the right to reallocate items of compensation set forth herein. See "PLAN OF DISTRIBUTION" and "ESTIMATED USE OF PROCEEDS." The total aggregate amount of Selling Commissions, Selling Group Allowances, Managing B-D Fee, Wholesaling Fee and Organization and Offering Expense Allowance (collectively, "Selling Commissions and Expenses") is not anticipated to exceed 10% of the Gross Proceeds. The Manager may accept purchases of Investor Units net (or partially net) of one or more Selling Commissions and Expenses and other items of fees, commissions, expenses or other compensation due to the Manager or its affiliate in certain circumstances deemed appropriate by it, in its sole discretion, including by way of illustration, but not limitation, from investors purchasing through a registered investment adviser, or from investors who are affiliates of the Manager or a member of the Selling Group. The Selling Commissions and Expenses have been estimated for purposes of this table, and if the actual amounts exceed these estimates, the Manager will bear such excess on behalf of the Fund. Conversely, if the estimated Selling Commissions and Expenses exceed the actual amount of Selling Commissions and Expenses, the Selling Group or the Manager, as applicable, will retain the difference as additional compensation. For purposes hereof, an "affiliate" of any person (i.e., a natural person, corporation, partnership, trust, unincorporated association or other legal entity) shall be any person directly or indirectly controlling, controlled by, or under common control with, another person.

(3) Amounts shown are proceeds after deducting the Selling Commissions and Expenses incurred in connection with the Offering.

(4) There is no minimum or maximum amount of aggregate capital to be raised by this Offering and there is no minimum amount of subscriptions that the Fund must receive as a condition to commencing its operations. Although the Manager anticipates the Offering will terminate on or before June 30, 2024, unless terminated earlier by the Manager in its sole discretion, the Offering has no mandatory termination date and may continue beyond June 30, 2024, in the sole discretion of the Manager. The Manager may increase the Offering up to $56,782,000 of Investor Units in its sole discretion. The Manager reserves the right to raise additional equity or debt capital in or alongside the Fund or consent to investments in the Joint Venture by one or more additional funds, as the Manager deems necessary or advisable in order to develop the Project, which additional capital may be funded by third parties or affiliates of the Manager, including employees of Capital Square.

The Fund is offering up to 49,375 Investor Units at a purchase price of $1,000 per Investor Unit (subject to increase to up to 56,782 Investor Units in the Manager's sole discretion), with a minimum purchase of 100 Investor Units per investor ($100,000). Notwithstanding the foregoing, the Manager reserves the right, in its sole discretion, to accept smaller subscriptions. The Offering will be made on a "best efforts" basis with no minimum or maximum aggregate investment raise requirement and no minimum amount of subscriptions that the Fund must receive as a condition to commencing its operations. The Manager also reserves the right to raise additional equity or debt capital in or alongside the Fund or consent to investments in the Joint Venture by one or more additional funds, as the Manager deems necessary or advisable in order to develop the Project, which additional capital may be funded by third parties or affiliates of the Manager, including employees of Capital Square.

The Offering of Investor Units is being made for the purpose of capitalizing the Fund with an amount sufficient for the Fund's portion of the amounts required by the Joint Venture to, in connection with the Construction Loan (defined hereinafter), construct the Project, pay the Fund's portion of other ongoing expenses and obligations of the Joint Venture, repay any funds advanced or loaned to the Fund by the Manager or its affiliates (plus the Manager's or such affiliate's cost of financing and related expenses in connection therewith), and pay certain costs and compensation, as described herein. The investors who subscribe for the Investor Units and are accepted by the Fund will become members of the Fund ("Members" or "Investors").

All payments received by the Fund from Investors for the purchase of Investor Units will be held in an escrow account (the "Escrow Account") with SouthState Bank, N.A. (the "Escrow Agent") until the Fund accepts the Investor's signed Subscription Agreement and issues the Investor Units. If an Investor is not admitted to the Fund as a Member, in the sole discretion of the Manager, the Escrow Agent will promptly return such payment to the Investor, without interest and without deduction or off-set. There is no minimum offering contingency in this Offering.

The mailing address of the Fund is 10900 Nuckols Road, Suite 200, Glen Allen (Richmond), VA 23060. The telephone number of the Fund is (888) 818-1031 and the fax number is (804) 888-7776. E-mails to the Fund should be directed to info@capitalsq.com.

NONE OF SUNSTONE TWO TREE, ANY OF ITS AFFILIATES, NOR ANY OF THEIR RESPECTIVE PRINCIPALS, OFFICERS, DIRECTORS, EMPLOYEES, MEMBERS, PARTNERS, OWNERS OR AGENTS HAVE VERIFIED ANY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM, MAKE ANY REPRESENTATION OR WARRANTY AS TO THE INFORMATION CONTAINED HEREIN, OR ASSUME ANY RESPONSIBILITY FOR THE VALIDITY, ACCURACY, COMPLETENESS OR RELIABILITY THEREOF. NONE OF THE FOREGOING HAS PROVIDED ANY FINANCIAL, INVESTMENT, LEGAL OR TAX ADVICE RELATING TO AN INVESTMENT IN THE FUND. POTENTIAL INVESTORS ARE URGED TO CONSULT WITH THEIR OWN FINANCIAL, INVESTMENT, LEGAL, TAX AND OTHER ADVISORS PRIOR TO MAKING AN INVESTMENT DECISION.

The purchase of Investor Units involves significant risks. An investment in the Investor Units is suitable only for persons of substantial means who have no need for liquidity in their investment. In making an investment decision, Investors must rely on their own examination of the person or entity creating the securities and the terms of the Offering, including the merits and risks involved.

The sale of Investor Units pursuant to this Memorandum is limited to "accredited investors" who meet the financial and verification requirements described in the "WHO MAY INVEST" section of this Memorandum. The Investor Units have not been approved or disapproved by the Securities and Exchange Commission or the securities regulatory authority of any state, nor has the Securities and Exchange Commission or any securities regulatory authority of any state passed upon the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense.

The Investor Units are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

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

No person has been authorized to give any information or make any representations other than those contained in this Memorandum and, if given or made, such information or representations must not be relied upon. This Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized, or in which the person making such an offer is not qualified to do so, or to any person to whom it is unlawful to make an offer or solicitation.

Neither the information contained herein, nor any prior, contemporaneous or subsequent communication should be construed by the prospective Investor as legal or tax advice. Each prospective Investor should consult such person's own legal, tax and financial advisors to ascertain the merits and risks of the transactions described herein prior to subscribing for the Investor Units.

Any projections or estimates included in this Memorandum, including without limitation the Pro Forma attached hereto, are based upon assumptions that the Manager considers reasonable as of the date hereof. These projections or estimates are based on assumptions, all of which are difficult to predict and many of which are beyond the control of the Manager. There can be no assurance that any projected or estimated returns can be realized or that the actual returns will not be materially lower or higher than those projected or estimated and included herein. In addition, the calculations used to generate the projections or estimates herein were not prepared with a view towards public disclosure or compliance with any published guidelines.

All brand names, trademarks, service marks, and copyrighted works appearing in this Memorandum are the property of their respective owners. This Memorandum may contain references to registered trademarks, service marks, and copyrights owned by the third-party information providers. None of the third-party information providers is endorsing the offering of, and shall not in any way be deemed an issuer or underwriter of, the Investor Units, and shall not have any liability or responsibility for any statements made in this Memorandum or for any financial statements, financial projections or other financial information contained in, or attached as an exhibit to, this Memorandum.

FOR FLORIDA RESIDENTS

The securities referred to in this Memorandum have not been registered under the Florida Securities Act. If sales are made to five or more Investors in Florida, any Florida Investor may, at his option, void any purchase hereunder within a period of three days after he (a) first tenders or pays to the Fund, an agent of the Fund, or an escrow agent the consideration required hereunder or (b) delivers his executed Subscription Documents, whichever occurs later. To accomplish this, it is sufficient for a Florida Investor to send a letter or telegram to the Fund within such three-day period, stating that he is voiding and rescinding the purchase. If any Investor sends a letter, it is prudent to do so by certified mail, return receipt requested, to ensure that the letter is received and to evidence the time of mailing.

FOR PENNSYLVANIA RESIDENTS

These securities have not been registered under the Pennsylvania Securities Act of 1972 in reliance upon an exemption therefrom. Any sale made pursuant to such exemption is voidable by a Pennsylvania Investor within two business days from the date of receipt by the issuer of his written binding contract of purchase or, in the case of a transaction in which there is not a written binding contract or purchase, within two business days after he or she makes the initial payment for the shares being offered. However, this right is not available to any Investor who is a bank, trust company, savings institution, insurance company, securities dealer, investment company (as defined in the Investment Company Act), pension or profit-sharing trust, any qualified institutional buyer as defined in 17 C.F.R. 230.144A(a), under the Securities Act, or such other financial institutions as defined by the Pennsylvania Securities Act of 1932 or regulation of the Pennsylvania Securities Commission.

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EXHIBITS

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WHO MAY INVEST

The offer and sale of the Investor Units is being made in reliance on an exemption from the registration requirements of the Securities Act. Accordingly, the sale of Investor Units in this Offering is strictly limited to persons who (i) are verified to be "accredited investors" and (ii) satisfy the requirements and make the representations set forth below and in the Subscription Agreement. The Manager reserves the right, in its sole discretion, to declare any prospective Investor ineligible to purchase Investor Units.

Investment in the Investor Units involves a high degree of risk and is suitable only for persons of substantial financial means who have no need for liquidity in this investment and can bear the risk of a total loss. This investment will be sold only to Investors who (i) purchase a minimum of 100 Investor Units for a purchase price of at least $100,000 and (ii) represent in writing that they are "accredited investors" (as defined under Rule 501 of Regulation D) and satisfy the Investor suitability and verification requirements established by the Manager and required under federal or state law. The Fund reserves the right, in its sole discretion, to accept smaller subscriptions.

Each Investor must represent in writing that the Investor meets, among others, **ALL** of the following requirements:

(a) Investor has received, read and fully understands this Memorandum and is basing the decision to invest solely on the information contained in this Memorandum. Investor has relied only on the information contained in this Memorandum and has not relied on any representations made by any other person;

(b) Investor has such knowledge of, and experience in, financial and business matters as to be capable of (A) evaluating the merits and risks of, and bearing the economic risks entailed by, an investment in the Fund and (B) protecting his, her or its interests in connection with that investment. Investor acknowledges that an investment in the Fund involves a high degree of risk;

(c) Investor may be required to hold the Investor Units indefinitely or may only be able to transfer the Investor Units in "private placements" that are exempt from registration under the Securities Act, if approved by the Manager, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of Investor. Investor acknowledges that, as a consequence, it must bear the economic risks of the investment in the Investor Units for an indefinite period of time;

(d) Investor understands that the Investor Units are, and will remain, illiquid. Investor has reviewed his, her or its financial condition and commitments, and discussed those matters with advisors to the extent that Investor considers necessary. Based on that review, Investor is satisfied that he, she or it (A) has adequate means of providing for his, her or its financial needs without selling, transferring or otherwise disposing of any the Investor Units and (B) is capable of bearing the economic risk of (y) investing in the Investor Units for an indefinite period of time and (z) the possible loss of all or part of Investor's investment in the Investor Units;

(e) Investor is acquiring the Investor Units for Investor's own account, and not with a view to, or for, resale or distribution in violation of the Securities Act, the securities laws of any U.S. state or the securities laws of any other applicable jurisdiction. No person has a direct or indirect beneficial interest in the Investor Units to be issued to the Investor under the Subscription Agreement and, other than the Subscription Agreement, Investor does not have any contract, understanding, agreement or arrangement with any person to sell, assign, transfer or otherwise dispose of any the Investor Units to any Person;

(f) Investor has such knowledge and experience in financial and business matters that Investor is capable of evaluating the merits of investing in the Investor Units and has the ability to protect Investor's own interests in connection with such investment; and

(g) Investor is an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act. A person or entity that meets one of the following tests should qualify as an "Accredited Investor":

(i) Investor is a natural person who has had individual income in excess of **$200,000** in each of the two most recent years, or joint income with that person's spouse or cohabitant occupying a relationship generally equivalent to that of a spouse (a "Spousal Equivalent") in excess of **$300,000** in each of

these years, and has a reasonable expectation of reaching the same income level in the current year; or

(ii) Investor is a natural person whose individual net worth, or joint net worth with that person's spouse or Spousal Equivalent, exceeds **$1,000,000** at the time of purchase of the Investor Units, excluding principal residence; or

(iii) Investor is a natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the SEC has designated as qualifying an individual for "accredited investor" status.[1]

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

(v) Investor is an entity (including an Individual Retirement Account trust) in which each of the equity owners is an "accredited investor" as defined above in subparagraphs (a) and (b) above; or

(vi) Investor is a trust with total assets in excess of **$5,000,000**, not formed for the specific purpose of acquiring the Investor Units, whose purchase is directed by a "sophisticated person" as defined in Rule 506(b)(2)(ii) of Regulation D under the Securities Act; or

(vii) Investor is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 in which the investment decision is made by a plan fiduciary (as defined in Section 3(21) of such Act) which is either a bank, savings and loan association, insurance company, or registered investment adviser; or the employee benefit plan has total assets in excess of **$5,000,000**; or it is a self-directed plan in which investment decisions are made solely by persons who are "accredited investors".

For purposes of calculating a prospective Investor's Net Worth, "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 a person's primary home) over total liabilities. Total liabilities exclude any mortgage on the primary home in an amount of up to the home's estimated fair market value as long as the mortgage was incurred more than 60 days before the securities were purchased, but includes (i) any mortgage amount in excess of the home's fair market value and (ii) any mortgage amount that was borrowed during the 60-day period before the closing date for the sale of securities for the purpose of investing in the securities. In the case of fiduciary accounts, the net worth and/or income suitability requirements must be satisfied by the beneficiary of the account, or by the fiduciary, if the fiduciary directly or indirectly provides funds for the purchase of the Investor Units.

In addition, the SEC has issued certain no action letters and interpretations in which it deemed certain trusts to be accredited investors, such as trusts where the trustee is a bank as defined in Section 3(a)(2) of the Securities Act and revocable grantor trusts established by individuals who meet the requirements of clause (i) or (ii) above. However, these no-action letters and interpretations are very fact-specific and should not be relied upon without close consideration of the investor's unique facts.

SEC Rule 506(c) requires an issuer to take "reasonable steps" to verify that each Investor in this Offering is accredited. WealthForge Securities, LLC or its affiliates will perform the accredited investor verification required by SEC Rule 506(c) for this Offering and will provide a certificate to the Fund prior to each closing, certifying the accredited investor status of each Investor. If an Investor does not provide the required information, or if the Fund does not believe an Investor's accredited status has been verified, then the Investor will not be permitted to invest regardless of whether the Investor is actually accredited.

Regulation D Bad Actor Disqualification

Investors who subscribe for 20% or more of the Investor Units in the Fund, as determined in accordance with the Fund Operating Agreement as of the date of the Investor's subscription, will be required to complete a "bad actor addendum" in the form attached to the Subscription Agreement (the "Bad Actor Addendum"). Investors acquiring 20% or more of the Investor

[1] As of the date hereof, the SEC has designated three certifications and designations administered by the Financial Industry Regulatory Authority, Inc. as qualifying for accredited investor status: (1) Licensed General Securities Representative (Series 7); (2) Licensed Investment Adviser Representative (Series 65); and (3) Licensed Private Securities Offerings Representative (Series 82).

Units in the Fund ("20% Investors" and each a "20% Investor") may be further required to complete and deliver to the Manager, concurrent with the execution and delivery of the Bad Actor Addendum, an irrevocable proxy granting the Manager the right to vote any and all voting rights with respect to the Investor Units held by such 20% Investor (the "Bad Actor Proxy") upon the effectiveness of the Bad Actor Proxy. A Bad Actor Proxy shall become effective at such time as a 20% Investor becomes subject to a "disqualification event" as described in Rule 506(d) of Regulation D. Once effective, a Bad Actor Proxy shall remain in effect until the date upon which the applicable 20% Investor is no longer subject to any disqualification event.

Restrictions Imposed by the USA PATRIOT Act and Related Acts

Investor Units may not be offered, sold, transferred or delivered, directly or indirectly, to any "Sanctioned Person," a term which is defined for purposes of this Memorandum as any person who:

(a) is named on the list of "specially designated nationals" or "blocked persons" maintained by the U.S. Office of Foreign Assets Control ("OFAC") at https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx, or as otherwise published from time to time; and

(b) (1) an agency of the government of a Sanctioned Country, (2) an organization controlled by a Sanctioned Country, or (3) a person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC. A "Sanctioned Country" shall mean a country subject to a sanctions program identified on the list maintained by OFAC and available at https://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx , or as otherwise published from time to time.

In addition, Investor Units may not be offered, sold, transferred or delivered, directly or indirectly, to any person who:

(a) has more than 15% of its assets in Sanctioned Countries; or

(b) derives more than 15% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries.

Representations with respect to the foregoing and certain other matters will be made by each Investor in the Subscription Agreement attached as Exhibit B. The Fund will rely on the accuracy of each Investor's representations set forth in the Subscription Agreement and may require additional evidence that an Investor satisfies the applicable standards at any time prior to the acceptance of an Investor's subscription. An Investor is not obligated to supply any information so requested by the Fund, but the Fund may reject a subscription from any Investor who fails to supply any information so requested.

If you do not meet the requirements described above, do not read further and immediately return this Memorandum to the Fund. In the event you do not meet such requirements, this Memorandum shall not constitute an offer to sell Investor Units to you.

The Investor suitability requirements stated above represent minimum suitability requirements established by the Fund. However, satisfaction of these requirements by an Investor will not necessarily mean that the Investor Units are a suitable investment for such Investor or that the Fund will accept the Investor as a subscriber. Furthermore, the Fund, as appropriate, may modify such requirements in its sole discretion, and such modifications may raise the suitability requirements for Investors.

INVESTOR UNDERSTANDS THAT THE TAX CONSEQUENCES OF AN INVESTMENT IN INVESTOR UNITS ARE COMPLEX AND VARY WITH THE FACTS AND CIRCUMSTANCES OF EACH INDIVIDUAL INVESTOR. FURTHER, INVESTOR HEREBY REPRESENTS AND WARRANTS THAT: (I) INVESTOR HAS CONSULTED ITS OWN INDEPENDENT TAX ADVISOR REGARDING AN INVESTMENT IN THE INVESTOR UNITS; (II) INVESTOR IS NOT RELYING ON THE FUND, THE MANAGER OR ANY OF THEIR AFFILIATES OR AGENTS (INCLUDING THEIR GENERAL COUNSEL, OUTSIDE COUNSEL, TAX COUNSEL AND ACCOUNTANTS) FOR TAX ADVICE REGARDING AN INVESTMENT IN THE INVESTOR UNITS OR ANY OTHER MATTERS; AND (III) INVESTOR IS NOT RELYING ON ANY STATEMENTS MADE IN THIS MEMORANDUM REGARDING AN INVESTMENT IN THE INVESTOR UNITS.

The written representations made by Investors will be reviewed to determine the suitability of each Investor. The Manager will have the right, in its sole discretion, to refuse a subscription.

HOW TO SUBSCRIBE

Prospective Investors who would like to subscribe for the Investor Units must carefully read this Memorandum. Then, prospective Investors must complete, execute and deliver the Subscription Agreement attached as Exhibit B along with payment in the amount of the purchase price for the Investor Units. Subscription Agreements should be delivered to WealthForge Securities, LLC in accordance with the instructions set forth in the Subscription Agreement. The full purchase price must be paid by check, wire or ACH Transfer upon submission of the Subscription Agreement. **All checks should be made out to "SouthState Bank, N.A., as escrow agent, for the benefit of Capital Square Glendale BFR, LLC."**

All payments for the purchase of Investor Units (a "Purchase Payment") shall be payable by check, wire transfer or ACH transfer as provided below:

Check:

Mailed or Delivered to:
WealthForge Securities, LLC
Attn: Finance
3015 W Moore St, Suite 102
Richmond, Virginia 23230

ACH Transfer:

Investors seeking to make a Purchase Payment by ACH transfer must send their Purchase Payment to the Escrow Account in accordance with the wiring instructions attached to the Subscription Agreement as Exhibit B. Investors must include their name on the ACH transfer.

Wire Transfer:

Investors seeking to make a Purchase Payment by wire transfer must wire their Purchase Payment to the Escrow Account in accordance with the wiring instructions attached to the Subscription Agreement as Exhibit B. Investors must include their name on the wire transfer.

Acceptance of Purchases

The Manager has the right, in its sole and absolute discretion, to accept or reject any purchase in whole or in part for a period of 15 days after receipt of the Subscription Agreement. Any Subscription Agreement not accepted within 15 days of receipt shall be deemed rejected.

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SUMMARY OF THE OFFERING

The following summary is intended to provide selected limited information regarding the Fund, the Investor Units and the Offering and should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum. **Each prospective Investor is urged to read the entire Memorandum before investing in the Fund.**

The Offering:

The Fund has been formed to acquire a majority ownership interest in a newly formed Delaware limited liability company (the "Joint Venture") that is the sole owner of Northern Parkway BTR, LLC, a Delaware limited liability company (the "Property Owner"). The Joint Venture plans to develop a "build-for-rent" single-family rental community, comprising 320 Class A units, with an average unit size of 1,384 square feet, on approximately 29 acres at the intersection of Northern Parkway and North Sarival Avenue in Glendale, Arizona, a suburb of Phoenix (the "Property"). The development project is expected to include 218 townhome-style units with a mix of two- and three-bedroom floorplans, 102 detached villa-style units with a mix of three- and four-bedroom floorplans, a pool, a spa, a fitness center, a leasing office, pickleball courts, a grilling pavilion, gated entry, pocket parks, a dog run and a tot lot (sometimes referred to herein as the "Project"), as further described in this Confidential Private Placement Memorandum and exhibits hereto (the "Memorandum").

Capital Square Realty Advisors, LLC, a Virginia limited liability company ("Capital Square" or the "Sponsor"), has partnered with Sunstone Two Tree, LLC, a Delaware limited liability company ("Sunstone Two Tree") for this Project.

Capital Square is a national real estate firm headquartered in Richmond, Virginia specializing in tax-advantaged real estate investments, including Delaware statutory trusts ("DSTs") for 1031 Exchanges, qualified opportunity zone funds, development funds and a real estate investment trust ("REIT"). In recent years, the Sponsor has become an active developer of mixed-use multifamily properties in the southeastern U.S., with ten current projects totaling approximately 2,000 apartment units, with a total development cost in excess of $750 million. Since 2012, Capital Square has completed more than $7.5 billion in transaction volume. Capital Square's related entities provide a range of services, including due diligence, acquisition, loan sourcing, property/asset management and disposition, for a growing number of high-net-worth investors, private equity firms, family offices and institutional investors nationwide. Since 2017, Capital Square has been recognized by Inc. 5000 as one of the fastest growing companies in the nation. In 2017, 2018 and 2020, the Sponsor was also ranked on Richmond BizSense's list of fastest growing companies. Additionally, Capital Square was listed by Virginia Business on their "Best Places to Work in Virginia" report in 2019 and their "Fantastic 50" reports in 2019 and 2020.

Sunstone Two Tree is a vertically integrated operator, developer and fund manager with deep expertise and a successful track record. Since its founding in 2012, Sunstone Two Tree has raised six funds and acquired approximately 5,500 units. Starting in 2020, Sunstone Two Tree began developing medium to high-density single-family home (attached and detached) communities. These projects combine many of the benefits of single-family living (larger units, dedicated parking, private yards and lower tenant turnover) with the operating efficiencies of multifamily communities and cater to millennials who are finally entering the household formation stage and baby boomers who are entering their empty nester years and are looking to simplify their lifestyle and downsize. Currently, Sunstone Two Tree has a 2,000-home pipeline in various stages of development in high-growth markets across the Mountain West and Arizona. Together, Sunstone Two Tree's team has an average tenure of 20 years and has completed over $55 billion of real estate transactions. See the section of the Memorandum entitled "MANAGEMENT."

The capital members of the Joint Venture consist of (i) the Fund, (ii) Capital Square

Glendale BFR Manager, LLC, a Virginia limited liability company (the "Manager"), which is the manager of the Fund, (iii) Sunstone Two Tree BTR, LLC, a Delaware limited liability company ("STT"), and (iv) CS Sunstone Two Tree Holdings, LLC, a Delaware limited liability company (the "CS Sunstone Promote Entity"). Sunstone Two Tree Advisors, LLC, a Delaware limited liability company, is the manager of the Joint Venture (the "JV Manager"). STT, the CS Sunstone Promote Entity and the JV Manager are all owned and controlled by Sunstone Two Tree, with Capital Square owning thirty percent (30%) of the membership interests in the CS Sunstone Promote Entity. The Fund and the Manager are controlled by Capital Square.

The Joint Venture expects that the Property Owner will acquire the Property from a third-party seller ("Seller"), on or before September 21, 2023 (the "Closing"; the date upon which the Closing occurs is referred to as the "Closing Date").

The Manager, which is wholly owned by Capital Square, will manage the Fund and will make all decisions for the Fund. Investors will rely solely on the Manager to manage the Fund, and the Fund will rely on Sunstone Two Tree to develop, manage and operate the Project, although the Fund and the Manager will have substantial voting rights with respect to major decisions affecting the Joint Venture. See the section of this Memorandum entitled "MANAGEMENT – Major Decisions."

This Offering is for up to 49,375 units of membership interest in the Fund ("Investor Units") (subject to increase to up to 56,782 Investor Units in the Manager's sole discretion). Investor Units are being offered by the Fund at $1,000 per Investor Unit. The minimum purchase per Investor in the Offering is 100 Investor Units ($100,000). The Manager reserves the right, in its sole discretion, to waive the minimum purchase requirement in this Offering. The Offering will be made on a "best efforts" basis with no minimum or maximum aggregate investment raise requirement and no minimum amount of subscriptions that the Fund must receive as a condition to commencing its operations. Although the Manager anticipates the Offering will terminate on or before June 30, 2024, unless terminated earlier by the Manager in its sole discretion, the Offering has no mandatory termination date and may continue beyond June 30, 2024, in the sole discretion of the Manager. The Manager also reserves the right to raise additional equity or debt capital in or alongside the Fund or consent to investments in the Joint Venture by one or more additional funds, as the Manager deems necessary or advisable in order to develop the Project, which additional capital may be funded by third parties or affiliates of the Manager, including employees of Capital Square.

Each Investor who subscribes for the Investor Units will become a "Member" of the Fund upon acceptance of the Investor's subscription by the Manager and the Fund's receipt in good funds of the Investor's subscription payment.

The Fund:

The Fund is a Virginia limited liability company formed on February 27, 2023. The Fund is governed by the Fund Operating Agreement. The Fund will be entitled to conduct an initial closing for subscribers of the Investor Units (the "Initial Investor Closing") once the Manager has received and accepted the first subscription payment. The Manager may, in its sole discretion, accept additional subscribers at one or more subsequent Investor closings following the Initial Investor Closing. The date of the last closing for subscribers for Investor Units in this Offering held by the Fund is referred to as the "Final Investor Closing."

Management:

Capital Square Glendale BFR Manager, LLC, a Virginia limited liability company (the "Manager"), which is wholly owned by Capital Square, will manage the Fund. In such capacity, the Manager will oversee the business and affairs of the Fund and will have broad discretion to make decisions related to the Property on behalf of the Fund. The Members will not be involved in the day-to-day affairs of the Fund.

Investors will rely solely on the Manager to manage the Fund, and the Fund will rely on Sunstone Two Tree to develop, manage and operate the Project. Although Sunstone Two Tree will have broad discretion to make day-to-day decisions regarding the Project, the Fund and the Manager will have substantial voting rights with respect to major decisions affecting the Joint Venture, including:

- approving the Budget and material amendments or modifications thereto;
- any financing, refinancing or securitization of the Property and the use of any proceeds thereof, including, without limitation, construction, interim and permanent financing, and any other financing or refinancing of the operations of the Joint Venture and the execution and delivery of any loan documents, agreements or instruments evidencing, securing or relating to any such financing; and
- any sale, transfer or other disposition of all or any part of the Property or the marketing of the Property in connection with any said sale, lease, transfer or disposition, except personal property which is being sold and replaced in the ordinary course of business, subject to the terms set forth in that certain Limited Liability Company Agreement of the Joint Venture, dated as of March 10, 2023 (as amended from time to time, the "JV Agreement").

See the section of this Memorandum entitled "MANAGEMENT – Major Decisions" for a discussion of the Fund's voting rights.

Summary background information regarding Capital Square and Capital Square's management team, and Sunstone Two Tree and its respective principals, appears in the section entitled "MANAGEMENT."

Contact Information:

The principal offices of the Fund and the Manager are located at 10900 Nuckols Road, Suite 200, Glen Allen (Richmond), VA 23060. The telephone number of the Fund is *(888) 818-1031* and the fax number is *(804) 888-7776*. E-mails to the Fund should be directed to info@capitalsq.com.

Principal Objectives and Strategy:

The Manager believes that the Fund will generate attractive risk-adjusted returns in a hard asset investment not correlated to U.S. stock markets.

The Fund currently anticipates that the Property Owner will acquire the Property on or before September 21, 2023, and will hold the Property until approximately October 31, 2027. However, the members of the Joint Venture may elect to extend or shorten the holding period in certain circumstances, pursuant to the terms set forth in the JV Agreement. See the section of this Memorandum entitled "BUSINESS PLAN – Exit Strategies."

Sources and Uses of Proceeds:

The Offering of up to 49,375 Investor Units as set forth in this Memorandum (which may be increased to up to 56,782 Investor Units in the Manager's sole discretion) is being made for the purpose of capitalizing the Fund with an amount sufficient for the Fund's portion of the development of the Project, repayment of any funds advanced by the Manager, Sunstone Two Tree, or their affiliates (plus the Manager's, Sunstone Two Tree's, or such affiliate's cost of financing and related expenses in connection therewith) and to pay or reserve for development costs and the Fund's operating expenses, including substantial compensation paid to Sunstone Two Tree and the Manager as described herein. It is not anticipated that the Manager or its affiliates will make any cash capital contributions to the Fund, but the Manager or its affiliates may, but shall have no obligation to, make loans to the Fund as provided in the Fund Operating Agreement. The Manager also reserves the right to raise additional equity or debt capital in or alongside the Fund or consent to investments in the Joint Venture by one or more additional funds, as the Manager deems necessary or advisable in order to develop the Project, which additional capital may be funded by third parties or affiliates of the Manager, including

employees of Capital Square. There is no aggregate minimum offering contingency in this Offering.

The Fund may, but is not obligated to, invest the net proceeds from the sale of Investor Units and other cash on hand in AAA-rated, short-term investments such as CDs and money market funds prior to employing this capital.

Risk Factors and Potential Conflicts of Interest:

Potential Investors should be aware that an investment in the Fund involves a significant degree of risk. In addition, there will be occasions when the Manager and its affiliates may encounter potential conflicts of interest in connection with the Fund and its Members and there is no independent dispute resolution mechanism in place to resolve such conflicts. An investment in Investor Units involves substantial risks including, but not limited to, the following risk factors:

- The Offering will be made on a "best efforts" basis with no minimum or maximum amount of aggregate capital to be raised by this Offering and no minimum amount of subscriptions that the Fund must receive as a condition to commencing its operations.
- The various risks associated with acquiring, financing, owning, constructing, leasing and operating single-family rental housing in Glendale, Arizona.
- The Investor Units do not represent a diversified investment, because the Fund's activities will be limited to the Property.
- The closing of the Construction Loan and the acquisition of the Property by the Property Owner may fail to occur.
- Although Capital Square and its affiliates have extensive experience in acquiring, developing, improving and operating multi-family and residential real estate, the Fund and the Manager were recently organized and do not have a significant operating history, and the Manager does not have significant assets. In addition, this is the second fund sponsored by Capital Square that involves "build-for-rent" single-family housing.
- Investors will rely on the Manager to manage the Fund and Sunstone Two Tree to manage the Project; although the Fund and the Manager will have substantial voting rights with respect to major decisions affecting the Joint Venture, Sunstone Two Tree will have broad discretion to make day-to-day decisions regarding the Property.
- Real estate development is an inherently risky activity.
- The Fund may not make capital distributions until the sale or refinancing of the Property, if at all.
- Real estate-related investments involve substantial risks.
- The Fund will pay substantial and continuing fees to Sunstone Two Tree, the Manager and their affiliates.
- The Investor Units will be highly illiquid; transferability of the Investor Units is restricted, and withdrawals of capital contributions are prohibited.
- Substantial actual and potential conflicts of interest exist among the Fund, the Manager, Capital Square, and their affiliates.
- An investor could lose all or a substantial portion of its investment in the Fund.

See "RISK FACTORS" and "CONFLICTS OF INTEREST."

Members:

Each Member's liability should be limited to the amount of such Member's initial gross capital contribution to the Fund (i.e., $1,000 per Investor Unit and including, in some instances, distributions made to such Member), plus undistributed profits.

Term of the Fund:

The Fund will continue indefinitely until terminated.

The Fund currently anticipates that the Property Owner will acquire the Property on or before September 21, 2023, and will hold the Property until approximately October 31, 2027. However, the members of the Joint Venture may elect to extend or shorten the

holding period in certain circumstances, pursuant to the terms set forth in the JV Agreement. See the section of this Memorandum entitled "BUSINESS PLAN – Exit Strategies."

Compensation to Manager and Affiliates:

In consideration of the Manager's services in organizing, managing, and overseeing the operations of the Fund, the Fund will pay the Manager an annual Fund asset management fee in an amount equal to 2.0% of the aggregate gross proceeds of the Offering, which shall be payable in arrears on a monthly basis (the "Asset Management Fee"). The Manager anticipates that the Asset Management Fee will be paid from the proceeds raised in this Offering until such time that the Project generates cash flow sufficient to pay the Asset Management Fee. See the Pro Forma attached hereto as Exhibit C.

The Manager will also be entitled to receive from the Fund a one-time fee equal to 2.0% of the total capital contributions made to the Joint Venture by the Fund (the "Equity Placement Fee").

Services for which the Joint Venture or the Fund engages the Manager or its affiliates in addition to the foregoing will be compensated at the market rates, as determined in the Manager's good faith discretion. Fees payable to the Manager or its affiliates in excess of the rate set forth in this Memorandum will require the consent of a majority of the Members.

The Manager, on its own behalf and/or on behalf of its affiliates, in its sole discretion, may defer, waive or reallocate to any person, in whole or in part, the payment of any fees, commissions or expenses otherwise payable to the Manager or its affiliates, or any pro rata portion of any such fees, commissions or expenses otherwise attributable to any particular Investor, by the Fund or the Joint Venture.

Compensation to the Members of the Joint Venture:

On March 10, 2023, Sunstone Two Tree Development, LLC, a Delaware limited liability company and an affiliate of Sunstone Two Tree ("Sunstone Development"), and the Property Owner entered into that certain Development Management Agreement. The Development Management Agreement provides that, in consideration for its services as the developer of the Project, Sunstone Development shall be paid a fee (the "Development Fee") equal to two and one-half percent (2.5%) of the Project Costs (as said term is defined in that certain Development Management Agreement); provided, however, that in no event shall the Development Fee exceed $2,859,375. The Development Fee shall be paid as follows: (a) twenty-five percent (25%) shall be paid on the commencement of construction, (b) sixty-five percent (65%) shall be paid during the construction period in equal monthly installments, and (c) the final ten percent (10%) shall be paid at Completion (as defined in the Development Management Agreement).

The members of the Joint Venture will also receive certain compensation from the Joint Venture in accordance with the following terms set forth in the JV Agreement:

- The Joint Venture shall reimburse Sunstone Two Tree in connection with construction accounting and related ancillary services provided by Sunstone Two Tree to the Joint Venture, in the amount of $3,000 per month, and in an aggregate amount not to exceed $100,000, for the time period between the Effective Date of the JV Agreement until the Completion Date of the Project.

- The Fund will be due a development oversight fee of 1.5% of total project costs (which for the avoidance of doubt shall include Soft Costs and Hard Costs), which shall be paid by the Joint Venture to the Fund *pari passu* with the payment by Property Owner of the Development Fee (as said term is defined in the Development Management Agreement) to Sunstone Development.

- As consideration for STT's conducting all activities needed in connection with customary asset management of the Project after the Completion Date related to

the lease-up of the Property and subsequent customary stabilized operations, the Joint Venture shall pay STT a monthly fee of $8,000 (the "Leasing Oversight Fee") starting on the commencement of Joint Venture pre-leasing activities and continuing every month thereafter until the date the Property is sold and/or conveyed either to an affiliate of the Fund as permitted under the JV Agreement or to a third party purchaser.

As of the date of this Memorandum, the following are the "Capital Members" of the Joint Venture and their respective Percentage Interests in the Joint Venture:

Capital Member	**Percentage Interest**
The Fund	90%
The Manager	7.50%
STT	2.50%
CS Sunstone Promote Entity	0.00%

Pursuant to the distribution waterfall set forth in the JV Agreement, all Net Cash Flow shall be distributed to the members of the Joint Venture in the following order of priority (capitalized terms used but not otherwise defined in this section shall have the meanings ascribed to them in the JV Agreement):

(i) First, to the Capital Members *pro rata* in proportion to the relative amounts of their respective Undistributed Preferred Return Account, in such amount and until such time, as each Capital Member's Undistributed Preferred Return Account has been reduced to zero. [The Preferred Return rate is a monthly-compounded cumulative return of ten percent (10%) per annum.]

(ii) Second, to the Capital Members *pro rata* in proportion to the relative amounts of their respective Undistributed Capital Contribution Account, in such amount and until such time as each Capital Member's Undistributed Capital Contribution Account has been reduced to zero.

(iii) Third, to the Members, *pro rata* in accordance with (i) any funded Cost Overruns, to reimburse any funded Cost Overruns, until each Member has received a return of one hundred percent (100%) of its respective funded Cost Overruns and (ii) any Company Loan made by any Member, until each Member, as applicable, has received a return of one hundred percent (100%) of its respective funded Company Loan (including principal and any interest accrued thereon in accordance with this Agreement).

(iv) Fourth, (i) eighty percent (80%) to the Capital Members *pro rata* in proportion to the relative amounts of their respective Undistributed First Hurdle Threshold Account (calculated exclusive of Cost Overruns), and (ii) twenty percent (20%) to the CS Sunstone Promote Entity. [The First Hurdle Threshold is a monthly-compounded cumulative return of fourteen percent (14%) per annum.]

(v) Fifth, (i) seventy percent (70%) to the Capital Members *pro rata* in proportion to the relative amounts of their respective Undistributed Second Hurdle Threshold Account (calculated exclusive of Cost Overruns), and (ii) thirty percent (30%) to the CS Sunstone Promote Entity. [The Second Hurdle Threshold is a monthly-compounded cumulative return of seventeen percent (17%) per annum.]

(vi) The balance, if any, (i) sixty percent (60%) to the Capital Members *pro rata* in accordance with their Percentage Interest and (ii) forty percent (40%) to the CS Sunstone Promote Entity.

The foregoing is a summary of the distribution provisions and is qualified in its entirety by the provisions in the JV Agreement. Investors are encouraged to review the JV Agreement and discuss with their independent advisors before investing in the Offering.

See "CONFLICTS OF INTEREST – Receipt of Compensation by the Joint Venture Members."

Fund Expenses:

The Manager and its affiliates will be responsible for the compensation of officers and employees of the Manager, office overhead of the Manager and all travel and out-of-pocket expenses of officers and employees of the Manager, except as may be incurred in connection with the Fund's business.

The Fund will directly or indirectly be responsible for Selling Commissions and Expenses, the Equity Placement Fee, the Asset Management Fee, and all operating expenses of the Fund, and its *pro rata* share of the Leasing Oversight Fee and all other reasonable fees, costs and expenses incurred in the operation and administration of the Joint Venture, whether related to the Project or otherwise ("Fund Expenses").

The Manager, on its own behalf and/or on behalf of its affiliates, in its sole discretion, may defer, waive or reallocate to any person, in whole or in part, the payment of any Fund Expenses or any other fees, commissions or expenses otherwise payable to the Manager or its affiliates, or any *pro rata* portion of any such fees, commissions or expenses otherwise attributable to any particular Investor, by the Fund or the Joint Venture.

Plan of Distribution:

Offers and sales of Investor Units will be made on a "best efforts" basis by broker-dealers ("Broker-Dealers," and collectively the "Selling Group") who are members of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Broker-Dealers will receive: (i) a selling commission of up to 6.5% of the gross proceeds ("Gross Proceeds") of the Offering ("Selling Commissions"), and (ii) a nonaccountable marketing and due diligence allowance of up to 2.5% of the Gross Proceeds, a portion of which may be paid out of the Organization and Offering Expense Allowance or other items of compensation payable to the Manager or an affiliate if elected by the Manager or such affiliate, as the case may be, in its sole discretion (the "Selling Group Allowances"). The Manager expects that Selling Group Allowances will average 1.00% of Gross Proceeds, as shown in the Estimated Use of Proceeds table. WealthForge Securities, LLC (the "Managing Broker-Dealer"), a member of FINRA, will act as Managing Broker-Dealer. In addition to the Selling Commissions and Selling Group Allowances, the Managing Broker-Dealer will receive a managing broker-dealer fee of up to 0.5% of the Gross Proceeds for serving as Managing Broker-Dealer (the "Managing B-D Fee"), and a wholesaling fee of up to 1.0% of the Gross Proceeds (the "Wholesaling Fee") may be paid to wholesalers. An organization, marketing and offering cost allowance (the "Organization and Offering Expense Allowance") of 1.0% of the Gross Proceeds will be paid to the Manager or its affiliate as reimbursement for expenses incurred in connection with the Offering, including, but not limited to, the costs of organizing the Fund and the Manager, marketing, legal, finance, and printing fees and expenses incurred in connection with this Offering, which it may reallow (in its sole discretion) to other members of the Selling Group on a nonaccountable basis. The Manager reserves the right to reallocate items of compensation set forth herein. See "PLAN OF DISTRIBUTION" and "ESTIMATED USE OF PROCEEDS." The total aggregate amount of Selling Commissions, Selling Group Allowances, Managing B-D Fee, Wholesaling Fee and Organization and Offering Expense Allowance (collectively, "Selling Commissions and Expenses") is not anticipated to exceed 10% of the Gross Proceeds. The Manager may accept purchases of Investor Units net (or partially net) of one or more Selling Commissions and Expenses and other items of fees, commissions, expenses or other compensation due to the Manager or its affiliate in certain circumstances deemed appropriate by it, in its sole discretion, including by way of illustration, but not limitation, from investors purchasing through a registered investment adviser, or from investors who are affiliates of the Manager or a member of the Selling Group. The Selling Commissions and Expenses have been

	estimated for purposes of the Estimated Use of Proceeds table, and if the actual amounts exceed these estimates, the Manager will bear such excess on behalf of the Fund. Conversely, if the estimated Selling Commissions and Expenses exceed the actual amount of Selling Commissions and Expenses, the Selling Group or the Manager, as applicable, will retain the difference as additional compensation. For purposes hereof, an "affiliate" of any person (i.e., a natural person, corporation, partnership, trust, unincorporated association or other legal entity) shall be any person directly or indirectly controlling, controlled by, or under common control with, another person.
Investor Suitability Standards:	The sale of Investor Units in this Offering is strictly limited to accredited investors who meet certain minimum suitability and verification requirements. See "WHO MAY INVEST."
Securities Laws Matters:	The Investor Units being offered are not being registered under the Securities Act in reliance on the exemption provided by Section 4(a)(2) thereof, and Rule 506(c) of Regulation D promulgated thereunder, for transactions not involving a public offering. In addition, the Fund will not be registered as an investment company under the Investment Company Act of 1940, as amended, nor will the Manager or any of its affiliates be registered as an investment adviser under the Investment Advisers Act of 1940, as amended.
Transfer Restrictions:	Investor Units may be transferred only upon the satisfaction of certain requirements, including compliance with federal and state securities laws and, with limited exceptions, the Manager's prior written consent, which may be withheld by the Manager in its sole discretion.
Minimum Purchase:	A minimum purchase of 100 Investor Units ($100,000) will be required. The Manager reserves the right, in its sole discretion, to waive the minimum purchase requirement.
Subscription Procedure:	To purchase Investor Units, a subscriber must complete, execute and deliver to the Fund, a Subscription Agreement, together with any applicable withholding tax forms, certificates and other documents requested by the Manager and payment in good funds for the purchase price of the Investor Units. The Manager may reject any subscription, in whole or in part, in its sole discretion. Any subscription for Investor Units not accepted by the Manager within fifteen (15) days of receipt by the Manager shall be deemed rejected by the Fund. All payments received by the Fund from Investors for the purchase of Investor Units will be held in an escrow account (the "Escrow Account") with SouthState Bank, N.A. (the "Escrow Agent") until the Fund accepts the Investor's signed Subscription Agreement and issues the Investor Units. In the event an Investor is not admitted to the Fund as a Member, the Escrow Agent will promptly return such payment to the Investor, without interest and without deduction or off-set.
Distributions:	Distributions shall be made at such times and in such amounts as the Manager may determine in its sole discretion. The Fund may reinvest cash flow from the Joint Venture back into the Project or use these receipts to pay or establish reserves for expenses or liabilities, in lieu of distributing cash flow or proceeds to the Members, in the Manager's sole discretion. See the section of this Memorandum entitled "BUSINESS PLAN." Subject to the foregoing and the provisions of the Fund Operating Agreement, once the Project has been completed and reaches stabilization, the Fund intends to make distributions of substantially all cash determined by the Manager to be distributable on a quarterly basis, in arrears within 30 days following the end of each calendar quarter. The Fund's cash available for distribution from any source, if any, will be distributed to the Investors *pro rata* in accordance with their respective Investor Units.

Allocations: The Fund's taxable income and loss will generally be allocated among the Members and the Manager in the same manner as net income and net loss are allocated.

Tax Classification: The Manager intends to operate the Fund so that it will be classified as a partnership for federal income tax purposes and will not be treated as an association taxable as a corporation. However, no ruling on this issue will be obtained from the Internal Revenue Service. Assuming the Fund is treated as a partnership for federal income tax purposes, the Fund should not be subject to U.S. federal income tax. Each Member will be required to include, in computing its U.S. federal income tax liability, its allocable share of items of income, gain, loss and deduction of the Fund, regardless of whether the Fund makes any cash distributions to the Member. The Fund cannot guarantee that it will make distributions to the Members sufficient to pay their federal and state income taxes arising from the Fund's activities.

For tax exempt entities considering an investment in the Fund, the Fund's investments and operations may result in the realization of "unrelated business taxable income" under Section 512 of the Code. As a result, an investment in the Fund may have adverse income tax consequences for tax-exempt Investors.

The U.S. federal income taxation of partnerships and partners is extremely complex, involving, among other things, significant issues as to the character and timing of realization of gains and losses. **Prospective Investors are strongly urged to consult their tax advisors with respect to the possible tax consequences of an investment in the Fund. These tax consequences may be different for different Investors.** See "FEDERAL INCOME TAX CONSEQUENCES."

ERISA Considerations: The Fund may accept investments by employee benefit plans subject to ERISA, including Individual Retirement Accounts ("IRAs"); provided, however, that at all times benefit plans cannot own, in the aggregate, 25% or more of the total value of the Investor Units then outstanding. **Because the Fund Operating Agreement limits ownership by qualified plans and IRAs to less than 25% of the total value of the Investor Units, the Manager currently believes that the assets of the Fund will not constitute "Plan Assets" within the meaning of the DOL Regulations.**

Member Information: To the extent the Fund receives information from the Joint Venture, the Fund intends to provide its Members quarterly updates summarizing the Project and Fund activities and progress. Subject to the terms of the Fund Operating Agreement, the Fund intends to provide its Members with selected, unaudited quarterly financial information and annual financial statements of the Fund (which annual financial statements may be audited, in the Manager's discretion, at the Fund's sole cost and expense, and provided that the Joint Venture's financial statements have also been audited), in addition to Schedule K-1s and other required tax reporting documents.

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RISKS RELATED TO FORWARD-LOOKING STATEMENTS

Certain matters discussed in this Memorandum are forward-looking statements, including, without limitation certain statements contained in the Pro Forma of the Fund attached to this Memorandum as Exhibit C. The Fund has based these forward-looking statements on its current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about the Fund, including, among other things, factors discussed under the heading "Risk Factors" in this Memorandum and the following:

- economic outlook;
- capital expenditures;
- interest rates;
- financing activities;
- tax status of the Fund; and
- related industry developments, including trends affecting the Fund's business, financial condition and results of operations.

The Fund intends to identify forward-looking statements in this Memorandum by using words or phrases such as "anticipates," "approximately", "believes," "estimates," "expects," "intends," "maybe," "objective," "plan," "predict," "project," "will be" and similar words or phrases, or the negative thereof or other variations thereof or comparable terminology. All forward-looking statements involve known and unknown risks, uncertainties, expectations, assumptions and other factors that may cause the actual transactions, results, performance or achievements of the Joint Venture and the Fund to be materially different from any future transactions, results, performance or achievements expressed or implied by such forward-looking statements. If any such expectations are materially flawed, it is possible that there will be insufficient funds available from the operations of the Property to pay the Joint Venture's operating expenses, including debt service, or for the Joint Venture to make distributions to the Fund. The cautionary statements set forth under the caption "Risk Factors" and elsewhere in this Memorandum identify important factors with respect to such forward-looking statements, including the following factors that could affect such forward-looking statements:

- national and local economic and business conditions that, among other things, will affect demand for the Property, the level of rental rates and occupancy that can be achieved by the Property and the availability and terms of financing;
- the ability to construct, operate and maintain the Project in a first-class manner (including meeting capital expenditure requirements);
- the ability of the Joint Venture to execute the development and construction plan for the Project, and to do so on a timely and cost-effective basis;
- the ability of the Project to compete effectively in areas such as access, location, quality and rental rates;
- governmental approvals, actions and initiatives, including the need for compliance with environmental and safety requirements, and changes in laws and regulations or the interpretation thereof; and
- the effects of new tax legislation.

Prospective Investors should be aware that the forward-looking statements contained in the Pro Forma of the Fund, attached to this Memorandum as Exhibit C, reflect the Fund's share of anticipated operations and expenses of the Joint Venture, and not any returns from the Joint Venture to the Fund. The Pro Forma of the Fund was not examined or otherwise passed upon by the Fund's accountants, attorneys, or any other third parties. Prospective Investors should seek the advice of their own independent legal and tax advisors with respect to an investment in the Fund and the prospective risks and rewards therefrom.

Although the Fund believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, the Fund cannot assure Investors that its expectations will be attained or that any deviations will not be material. The Fund undertakes no obligation to publicly release the result of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances.

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RISK FACTORS

Investors should be aware that Investor Units involve a high degree of risk. Investors should carefully read this Memorandum prior to making an investment and should be able to bear the complete loss of their investment.

It is impossible to accurately predict the results for an Investor from an investment in the Fund because of general risks associated with the ownership and operation of real estate, the risks associated with the type of property the Fund intends to develop and operate, the risks associated with a private offering, and certain tax risks. Such risks include, but are not limited to, high vacancy rates, tenants in possession but not paying rent, tenants paying rent but who have "gone dark," portions of the Property that may need substantial capital improvements in the future, and that the Property may not generate anticipated operating income. In addition, prospective Investors must rely solely upon the Manager for the Property to be successful. Prospective Investors who are unwilling to rely solely on the Manager should not invest in the Fund.

Each prospective Investor should consider carefully, among other risks, the following risks, and should consult with his own legal, tax and financial advisors prior to subscribing for Investor Units with respect thereto.

Risks Relating to the Formation and Internal Operation of the Fund

Investors will not be able to participate in the management of the Fund and must rely exclusively on the Manager. The Manager will have sole discretion to make decisions related to the Offering and the Fund, and the discretion to exercise the Fund's and its voting rights with respect to certain material decisions relating to the Joint Venture and the Project, including the Major Decisions discussed in the section of this Memorandum entitled "MANAGEMENT – Major Decisions." None of the Investors will have the right to vote on or approve any decisions related to the Joint Venture, the Project, the Offering, the Fund or associated with the debt financing. **Prospective Investors who are unwilling to delegate sole discretion to the Manager in this manner must not invest in the Fund.**

The Fund has a limited operating history. The Fund was organized on February 27, 2023, for the purpose of engaging in the activities set forth in this Memorandum. The Fund has no significant history of operations and, accordingly, no performance history to which a potential Investor may refer in determining whether to invest in the Fund. The Fund's prospects must be considered in light of the risks, expenses and difficulties frequently encountered by new ventures, including the reliance of the Fund on the Manager and its key personnel and affiliates and other factors.

The Manager has a limited operating history and limited capitalization. Although Capital Square has extensive experience in acquiring, improving and operating commercial and residential real estate, the Manager was organized on February 27, 2023, and has limited capital. It has no significant history of operations and, accordingly, no performance history to which a potential Investor may refer in determining whether to invest in the Fund. A significant financial reversal for the Manager or its affiliates could adversely affect the ability of the Manager to satisfy its obligation to manage the Fund. In addition, this is the second fund sponsored by Capital Square that involves "build-for-rent" single-family housing.

Investment in the Fund will not provide Members with the benefits of a diversified portfolio. The Fund was organized for the purpose of investing in only the Property. As a result, the Fund will not provide its Members with the benefits that other investments may experience from holding investments in a diversified portfolio. Each Investor should be aware that an investment in the Fund involves single enterprise and single industry risks associated with residential construction and related residential leasing.

The Fund has no "principal protection" feature. Investors in Investor Units are not assured that their capital contributions to the Fund will be returned to them at a particular time, or ever. Investors could lose their entire investment in the Fund (including any undistributed profits), in addition to the use of their capital contributions during the lifetime of the Fund.

Projections. The Fund invested in the Joint Venture in reliance upon projections and estimates developed by the Manager in conjunction with Sunstone Two Tree, including without limitation, the projections and estimates set forth in the Pro Forma, concerning the future performance and cash flow of the Project. Projections are inherently uncertain and subject to factors beyond the control of the Manager. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of unforeseen events could impair the ability of the Project to realize projected values and/or cash flow.

The Manager will be entitled to elimination of liability and indemnification. Under the Fund Operating Agreement, the Manager, its partners, members, directors, officers, managers, employees, agents and affiliates and assigns will not be liable to the Fund or the Members for their acts or omissions performed or omitted in good faith, except for conduct constituting gross negligence or willful misconduct, and will be held harmless and entitled to indemnification to the extent of the Fund's assets and to the maximum extent permitted by law. As a result, the Fund and the Members will have a more limited right of action against the Manager than they would have absent these provisions.

The Manager may withhold distributions to the Members. In the Manager's sole discretion, the Fund may reinvest cash flow from the Joint Venture back into the Project or may use these receipts to pay or establish reserves for Property expenses or liabilities, in lieu of distributing such cash flow or proceeds to the Members, in the Manager's sole discretion. The Fund does not anticipate making any distributions to Members until the Project reaches stabilization. Even following stabilization, the rental income and other income and proceeds received by the Fund may not be sufficient to fund any distributions to the Members for a substantial period of time. Furthermore, although the Fund is required to make certain tax distributions to the extent of available cash, Members may have tax liability resulting from their ownership of the Investor Units in excess of distributions made by the Fund. The Fund may not make capital distributions until the sale or refinancing of the Property, if at all.

Receipt of Manager compensation regardless of profitability. The Manager, Sunstone Two Tree, and their affiliates are entitled to receive certain significant and continuing fees and other compensation, payments, and reimbursements from the acquisition, development and operation of the Project, regardless of whether it operates at a profit. See "ESTIMATED USE OF PROCEEDS", "Receipt of Compensation by the Manager", and "Receipt of Compensation by the Joint Venture Members."

There is no minimum Offering amount and the Fund may conduct its business with limited fundraising. The Fund will be entitled to conduct an Initial Investor Closing in this Offering once the Manager has received and accepted the first subscription payment. The Fund is seeking to raise up to a maximum of $49,375,000 in Investor subscriptions, subject to increase to up to $56,782,000 in the Manager's sole discretion, and the Fund's percentage ownership interest in the Joint Venture will depend on the total amount that it can raise in this Offering.

The Manager reserves the right to raise additional equity or debt capital in or alongside the Fund or consent to investments in the Joint Venture by one or more additional funds, as the Manager deems necessary or advisable in order to develop the Project, which additional capital may be funded by third parties or affiliates of the Manager, including employees of Capital Square. Any such additional equity capital will dilute the Fund's beneficial ownership of and share of profits from the Joint Venture, perhaps significantly, and any additional debt or equity capital may have a material impact on the projections and estimates developed by the Manager in conjunction with Sunstone Two Tree, including, without limitation, the projections and estimates set forth in the Pro Forma, concerning the future performance and cash flow of the Project.

In addition, the Manager reserves the right to terminate this Offering at any time, even if it has raised a smaller amount of capital than the Maximum Offering Amount. For example, the Manager might determine, in its sole discretion, that it is not necessary to raise the full Maximum Offering Amount permitted by this Memorandum because it successfully obtained bonds or other financing that provides the capital necessary to complete the development plans.

If a smaller amount of capital is raised in this Offering than the Maximum Offering Amount, the expenses of the Fund assessed to the Members will be higher on a per Member basis than if more capital had been raised. In addition, if the Manager raises less than the total amount of capital necessary to complete the development plans, then the Joint Venture may be required to alter its development plans for the Property and/or increase its leverage.

The Members' investment period in the Fund could be adjusted by the Manager in its sole discretion. The Fund currently anticipates that the Property Owner will acquire the Property from a third-party seller on or before September 21, 2023, and will hold the Property until approximately October 31, 2027. However, the members of the Joint Venture may elect to extend or shorten the holding period in certain circumstances, pursuant to the terms set forth in the JV Agreement. The Manager may lengthen the Members' investment period in the Fund accordingly, and Members will be required to bear the financial risks of this investment for an indefinite period of time. See the section of this Memorandum entitled "BUSINESS PLAN – Exit Strategies."

The Members will not have a right to withdraw their capital contributions. A Member is not permitted to make full or partial withdrawals of his capital contributions from the Fund. Consequently, a prospective Investor should not consider investing in the Investor Units unless the Investor is able to hold the Investor Units for an indefinite period without the need for liquidity.

The Members may experience a loss on the dissolution and termination of the Fund. In the event of a dissolution or termination of the Joint Venture and the Fund, the proceeds realized from the sale of the Property and liquidation of the Fund will be distributed among the Members, but only after the satisfaction of the claims of third-party creditors of the Fund, payment of the Equity Placement Fee, the Asset Management Fee, and other Fund Expenses to the Manager or its designee, and the Fund's share of expenses of the Joint Venture. The ability of a Member to recover all or any portion of such Member's investment under such circumstances will, accordingly, depend on the amount of net proceeds realized from such liquidation and the amount of claims to be satisfied therefrom. There can be no assurance that the Fund will recognize gains on such liquidation.

In some circumstances, Members may be liable to return a distribution made by the Fund. Members of the Fund may be liable to return a distribution to the extent that, after such distribution, the Fund has a negative net worth or the remaining assets of the Fund are insufficient to pay the outstanding liabilities of the Fund.

The Manager will have conflicts of interest with the Members. There are a number of actual or potential conflicts of interest involving the Fund and the Manager, including the fact that the terms of the Fund Operating Agreement are not the result of arms'-length negotiation. Further, affiliates of the Manager are employed independently of the Fund and will continue to engage in other activities, some of which may compete with the Project. In addition, the Manager and its affiliates will have conflicts of interest in allocating management time, services and functions between various existing enterprises and future enterprises they may organize, as well as other business ventures in which they may be or become involved. The Manager or its affiliates may form additional funds with objectives substantially similar to those of the Fund at any time. The Members will have no interest in any future entities or business ventures formed or developed by the Manager or any of its affiliates.

The Fund will have a diverse Investor group. The Members may have conflicting investment, tax and other interests with respect to their investment in the Fund. The conflicting interests of individual Members may relate to or arise from, among other things, the nature of investment made by the Fund and the timing of any disposition of the Property. Thus, conflicts of interest may arise in connection with decisions made by the Manager that may be more beneficial for one Member than for another Member, especially with respect to each Member's individual tax situations. In managing the Fund, the Manager will consider the investment and tax objectives of the Fund and the Members as a whole, not the investment, tax or other objectives of any individual Member. Thus, certain Members may experience adverse investment and/or tax treatment compared to other Members.

The Fund, the Property and/or the Members may be harmed by cyber security breaches and identity theft. The Manager's and/or Fund's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Manager or the Fund, as applicable, may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Fund's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to tenants of the Property and the Members. Such a failure could harm the reputation of the Property and the Fund, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Financial information. With respect to the future operations of the Property, subject to the terms of the Fund Operating Agreement and the JV Agreement, the Fund intends to provide the Members with selected, unaudited quarterly financial information and annual financial statements of the Fund (which annual financial statements may be audited, in the Manager's discretion, at the Fund's sole cost and expense, and provided that the Joint Venture's financial statements have also been audited), in addition to Schedule K-1s and other required tax reporting documents.

The Manager may enter into "side letters" or similar arrangements with certain Members. The Manager (on its own behalf and/or on behalf of the Fund) and/or the Fund may enter into "side letters" or similar arrangements with certain Members, including affiliates of the Manager and any private investment vehicles, that have the effect of altering or supplementing the terms of such Member's participation in the Fund, including, without limitation, arrangements with respect to fees or expenses payable or borne by such Members, liquidity and transparency and any other provisions of the Fund Operating Agreement or the Subscription Agreement with respect to such Member or any other matter deemed appropriate by the Manager without obtaining the consent of any other Member and without entitling any other Member to such modification or new term(s). As a result, returns may vary from Member to Member depending on arrangements applicable to a given Member's participation in the Fund and may result in adverse consequences to the Fund or other Members.

Reliance on the Sunstone Two Tree and its Affiliates. The Joint Venture involves risks that are not present in investments where a third party is not involved, including the possibility that Sunstone Two Tree, as the entity that controls the manager of the Joint Venture, may at any time have economic or business interests or goals which are inconsistent with those of the Fund, or may be in a position to take action contrary to the Fund's investment objectives.

For example, although the Fund and the Manager will have substantial voting rights with respect to major decisions affecting the Project, the Fund may not control all material business decisions affecting the Joint Venture. Consequently, the Fund may be unable to control the timing or occurrence of certain leasing, financing or disposition transactions relating to the Project. See the section of this Memorandum entitled "MANAGEMENT – Major Decisions." In addition, Sunstone Two Tree may take actions contrary to the instructions or requests of the Fund or contrary to the Fund's policies, objectives or organizational documents or may experience financial difficulties or otherwise be unable or unwilling to fulfill its obligations under, or comply with the requirements of, the governing documents of the Joint Venture. The occurrence of any such problems may affect management decisions and distribution and exit strategies in a manner adverse to the Fund's interests. The Fund's ability to seek redress against Sunstone Two Tree in such circumstances may be limited by the absence or ineffectiveness of laws regarding fiduciary responsibilities and the protection of Investors. In addition, the Fund may be liable for actions of Sunstone Two Tree or its affiliates.

General Real Estate and Investment Risks

Failure to close the acquisition of the Property. The Property Owner is expected to acquire the Property on or before September 21, 2023; however, there is no guarantee that the purchase of the Property will ultimately be consummated. The purchase of the Property may not be consummated if the Joint Venture is not satisfied with the results of its due diligence investigations or if the Construction Loan fails to close and a "Loan Failure" consequently occurs under the JV Agreement.

Pandemics and Other Widespread Public Health Emergencies, Including COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases, such as the outbreak of a novel strain of coronavirus ("COVID-19"), have resulted and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Fund.

COVID-19 surfaced in Wuhan, China in late 2019 and was a public health crisis globally (including in the United States). The coronavirus pandemic resulted in the temporary closure of many corporate offices, retail stores, and manufacturing facilities and factories globally (including in the United States), as well as border closings, quarantines, cancellations, disruptions to supply chains and customer activity, and general concern and uncertainty as national, regional and local governments, as well as private businesses and other organizations, attempt to contain this pandemic.

Public health emergencies like the COVID-19 crisis could materially and adversely impact and result in significant losses to the Fund and the Project. The extent of the impact on the Fund's and the Project's operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Fund to manage, finance and exit its investment in the Project, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives. They may also impair the ability of the Joint Venture or its counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Fund, the Joint Venture and the Manager, and the construction, development and operations of the Project may be significantly delayed or otherwise impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to conduct due diligence (including on-site visits and inspections) and make accurate and timely projections of financial performance.

There are general risks of investment in the Property. The economic success of an investment in the Fund will depend upon the results of operations of the Property. Fluctuations in vacancy rates, rent schedules and operating expenses

can adversely affect operating results or render the sale, financing or refinancing of the Property difficult or unattractive. No assurance can be given that certain assumptions as to construction and development costs, future levels of occupancy, cost of tenant improvements or future costs of operating the Property will be accurate since such matters will depend on events and factors beyond the control of the Manager. Such factors include continued validity and enforceability of the leases, vacancy rates for properties similar to the Property, financial resources of tenants and rent levels near the Property, adverse changes in local population trends, market conditions, neighborhood values, local economic and social conditions, supply and demand for construction materials and for properties such as the Property, competition from similar properties, interest rates and real estate tax rates, governmental rules, regulations and fiscal policies, the enactment of unfavorable real estate, rent control, environmental or zoning law, and hazardous material law, uninsured losses, effects of inflation and other risks. The Property may not perform in accordance with expectations.

The Fund may use gross leases. Some or all of the leases at the Property may be computed on a "gross" basis. This means that the landlord may be required to provide certain services to the tenants and will bear the risk of certain increases in operating expenses not paid or reimbursed by the tenants under their leases. The costs of some services and goods, particularly energy, have increased rapidly in the past and may continue to do so for the foreseeable future.

The Property may not meet projected occupancy. The Fund currently anticipates that the Fund will hold the Property until approximately October 31, 2027. See the section of this Memorandum entitled "BUSINESS PLAN – Exit Strategies." However, if the Joint Venture continues to hold the Project after such date, the Joint Venture will be subject to the risks of a long-term property owner, and the success of the Project will depend on operating results. If the Project takes longer than expected to reach initial leasing stabilization following completion of construction, if tenants at the Project do not renew or extend their leases or if tenants terminate their leases, the operating results of the Project could be substantially and adversely affected by the loss of revenue and possible increase in operating expenses not reimbursed by the tenants. There can be no assurance that the Project will be completed on schedule or that it will be substantially occupied at projected rents following completion. The Fund will anticipate a minimum occupancy rate for the Project, but there can be no assurance that the Project will maintain the minimum occupancy rate, meet the Joint Venture's anticipated lease-up schedule or that the Project may not need to offer rent concessions to attract or keep tenants. Lease-up of any unoccupied space may be achievable only at rental rates less than those anticipated by the Joint Venture.

A general economic downturn or regional economic softness could adversely affect the economic performance of the Project. Future weakness in the local Glendale, Arizona economy or the national economy could materially and adversely impact the Project with respect to occupancy, rental rates and the ability to sell the Project on favorable terms.

Availability of financing and market conditions. Market fluctuations in real estate financing may affect the availability and cost of funds needed for the development and construction of the Property. In addition, credit availability has been restricted in the past and may be restricted in the future. There has been recent increased interest rate volatility, causing some uncertainty for both lenders and borrowers. Restrictions upon the availability of real estate financing or high interest rates for real estate loans could adversely affect the Property, including the ability to currently finance the Property and the ability of the Joint Venture to sell the Property at a profit or at any price.

Interest rates could rise in the future. The Construction Loan is expected to have a floating interest rate which, depending on the economy and market conditions, could float up or down. See the section of this Memorandum entitled "BUSINESS PLAN." If interest rates are higher than projected by the Manager for the Construction Loan or there is an increase in interest rates affecting a permanent loan, cash available for distribution to the Members would be reduced. Rising interest rates may also affect the ability of Sunstone Two Tree to refinance the Property in the future. The Project may also be less desirable to prospective purchasers in a rising interest rate environment and its value may be adversely impacted by the reduction in cash flow due to increased interest payments.

Leveraging the Property allows the lender to foreclose on the Property. The lender to the Property, even a non-recourse lender, is expected in all instances to retain the right to foreclose on the Property if there is a default in the loan terms. If this were to occur, the Fund would likely lose its entire investment in the Property.

The lender may have approval rights with respect to the encumbered Property. It is expected that the lender under the Construction Loan will have numerous other rights, which may include the right to approve any change in Sunstone Two Tree or the asset or property manager for the Property. The terms of the Construction Loan, and the terms of any other debt financing for the Property, are expected to prohibit the transfer or further encumbrance of the Property or any interest in the Property except with the lender's prior consent, which consent each lender may withhold. The relative illiquidity of the Property may prevent or substantially impair the Joint Venture's ability to dispose of the Property at the time when it may be

otherwise advantageous for the Fund to do so. If the Joint Venture were forced to immediately liquidate the Property, the proceeds are likely to result in a significant loss, if such a liquidation is possible at all.

The Fund does not have guaranteed cash flow. The Manager expects the Property to generate little to no cash flow until the development of the Property is completed and certificates of occupancy are issued. Cash flow will be based on the profitability of the Property, which is beyond the control of the Fund and the Manager and is not guaranteed. There can be no assurance that the projected cash flow or profits will be generated by the Property or that the Joint Venture will make regular distributions to the Fund. If the Property does not generate the anticipated amount of cash flow, the Fund may not be able to pay the anticipated distributions to the Members.

Competition from other properties in the surrounding geographic areas. Competing multi-family and single-family residential properties may reduce demand for the Property, increase vacancy rates, decrease leasing rates and impact the value of the Property itself. Competition from nearby multi-family properties, condominiums and single-family houses available for rent could make it more difficult to attract tenants, maintain rents, and ultimately sell the Property on a profitable basis.

Title and survey matters. The Property is subject to various matters affecting title and all the matters set forth on any title commitment and survey, zoning ordinances, and building codes. Such matters may include, for example, easements, declarations, restrictions and other limitations on the right of the Joint Venture to construct, develop and use the Property. In addition, other issues that are not disclosed by the title commitments or the surveys may affect title and/or the use of the Property. In connection with the acquisition of the Property, it is expected that the Property Owner will obtain title insurance. In the event that a known or new matter arises with respect to the Property, however, there is no guarantee that the title insurance will sufficiently protect the Property Owner against all title issues affecting the Property, that the title company will pay any claim, that the title insurance is sufficient to cover any damages or that the Fund will not incur costs in making a title insurance claim.

The Property may contain toxic and hazardous materials. It is possible that the Property may contain known or unknown environmental problems which may adversely affect the Fund. Sunstone Two Tree obtained a Phase I Environmental Site Assessment Report from ProTeX, The PT Xperts, LLC, dated September 20, 2021, which did not identify any recognized environmental conditions, historical recognized environmental conditions, controlled recognized environmental conditions or potential for vapor intrusion on the Property. Federal, state and local laws impose liability on a landowner for releases or the otherwise improper presence on the premises of hazardous substances. This liability is without regard to fault for, or knowledge of, the presence of such substances. A landowner may be held liable for hazardous materials brought onto the property before it acquired title and for hazardous materials that are not discovered until after it sells the property. If any hazardous materials are found within the Property in violation of law at any time, the Property Owner (and, consequently, the Joint Venture and its members) may be liable for all cleanup costs, fines, penalties and other costs. This potential liability will continue after the Property Owner sells the Property and may apply to hazardous materials present within the Property before the Property Owner acquired the Property. If losses arise from hazardous substance contamination which cannot be recovered from a responsible party, the financial viability of the Property may be substantially affected.

The Property Owner is expected to receive limited representations and warranties from the seller. It is expected that the Property will be acquired with limited representations and warranties from the seller regarding the condition of the Property, the presence of hazardous substances, the status of governmental approvals and entitlements and other significant matters affecting the use, ownership and enjoyment of the Property. As a result, if defects in the Property or other matters adversely affecting the Property are discovered, the Joint Venture will likely not be able to pursue a claim for damages against the seller of the Property. The extent of damages that the Joint Venture may incur as a result of such matters cannot be predicted, but potentially could result in a significant adverse effect on the value of the Property.

Non-compliance with the Americans with Disabilities Act can be costly to remedy. If any part of the Project is not constructed in compliance with the Americans with Disabilities Act of 1990 ("ADA"), the Property Owner (and, consequently, the Joint Venture and its members) may be required to incur costs to come into compliance with ADA. Under the ADA, public accommodations must meet certain federal requirements related to access and use by disabled persons. ADA requirements could require removal of access barriers at significant cost, and could result in the imposition of fines by the federal government or an award of damages to private litigants. State and federal laws in this area are constantly evolving and could change to place a greater ADA compliance cost or burden on the Property in the future. The Manager cannot assure that the Project will comply with ADA requirements with respect to, or that ADA violations will not exist at, the Project.

The Property Owner may be subject to the risk of liability and casualty loss as the owner of the Property. It is expected that Sunstone Two Tree will continue to maintain or cause to be maintained insurance against certain liabilities and

other losses for the Property, but the insurance obtained will not cover all amounts or types of loss. There is no assurance that any liability that may occur will be insured or that, if insured, the insurance proceeds will be sufficient to cover the loss. Insurance against certain risks that are generally catastrophic in nature, such as terrorism, floods, hurricanes, and/or earthquakes, may be unavailable or available only at an unacceptable cost, or subject to limitations such as large deductibles or co-payments, or in amounts that are less than the full market value or replacement costs of the Property.

Further, if losses arise from hazardous substance contamination that cannot be recovered from a responsible party, the financial viability of the Property may be substantially impaired. A lender may require a Phase I environmental site assessment of the Property to determine the existence of hazardous materials and other environmental problems prior to making a loan secured by the Property. However, a Phase I environmental site assessment generally does not involve invasive testing; instead, it is limited to a physical walk through or inspection of a property and a review of governmental records. Thus, it is possible that the Property will be subject to known or unknown environmental problems that may adversely affect the Fund's investment.

Incidents beyond the Joint Venture's control. A number of incidents may take place at or near the Property that are beyond the Joint Venture's control or ability to prevent. If incidents such as crime or vandalism occur, the Joint Venture may lose tenants, be forced to close certain portions of the Property for some time or experience potential civil or criminal liability. Moreover, the Property could face material damage to its image and experience a reduction of traffic due to a lack of confidence in the premises' security. Should the Property be involved in incidents of this kind, the Fund's business and financial condition could be adversely affected.

Sponsor Funds. The Manager plans to use Capital Square's internal funds to satisfy the Fund's capital contributions to the Joint Venture until such time that the Fund raises sufficient proceeds in this Offering to reimburse Capital Square for the use of such internal funds. As a result, the Manager expects to pay back Capital Square using the proceeds raised in this Offering. The costs associated with the Manager's use of Capital Square's internal funds have been projected by underwriting a charge of 20% per month for a term of 24 months, which is the current market rate for similar funds provided by a credit facility. See "ESTIMATED USE OF PROCEEDS" and the Pro Forma attached hereto as Exhibit C.

Special Risks Associated with Real Estate Development

Construction difficulties or delays may have an adverse effect on development of the Property, and consequently on the Fund's operations and revenues. The Joint Venture's ability to timely and successfully carry out the development and construction of the Property will depend upon a variety of factors, many of which are outside the Fund's control or, in certain cases, the control of the entity supervising the construction. These factors include:

- failure or delay in obtaining necessary zoning or planning approvals;
- difficulties or delays in obtaining building, occupancy, licensing and other required governmental permits for construction of the Property;
- failure to complete construction of the Property on budget and on schedule;
- unforeseen engineering, environmental or geological problems;
- failure of Sunstone Two Tree, third party contractors and/or subcontractors to perform under their contracts;
- shortages of labor or materials that could delay construction or make it more expensive, including lumber shortages;
- adverse weather conditions that could delay construction;
- increased costs resulting from changes in general economic conditions or increases in the costs of materials, which may occur rapidly and unexpectedly; and
- increased costs as a result of addressing changes in laws and regulations or how existing laws and regulations are applied.

Potential development and construction delays and resultant increased costs and risks may hinder the Fund's operating results and decrease its net income. Additionally, delays in completing construction could also give tenants the right to terminate pre-construction leases. The Joint Venture may incur additional risks if it fails to make periodic progress payments or other advances to builders before they complete construction. These and other factors could result in increased costs of a project or loss of a Member's investment in the Fund.

In addition, the Project will be subject to normal lease-up risks relating to newly constructed projects. The Joint Venture's decision to develop the Property is based on rental income and expense projections and estimates of the fair market value of the Property upon completion of construction. If these projections are inaccurate, the Investor's return on their investment in the Fund could suffer.

General risks related to single-family rental properties. In addition to general real estate risks discussed above, single-family rental properties are subject to local conditions that could significantly affect occupancy, rental rates and the operating performance of the Property. These conditions could include an oversupply of, or a reduced demand for, apartment units and single-family rental units; a decline in household formations or employment rates; the inability or unwillingness of residents to pay rent increases; implementation of new rent control or rent stabilization laws or other landlord-tenant laws regulating housing that could prevent the Joint Venture from raising rents sufficiently to offset increases in operating costs; or economic or regulatory conditions that could cause an increase in the Joint Venture's operating expenses, such as increases in property taxes, utilities, compensation of on-site associates and routine maintenance.

Short-term residential leases. Leases for residential units are generally expected to be for a term of one to two years or less. Because these leases generally permit the residents to leave at the end of the lease term without penalty, the Joint Venture's rental revenues are expected to be impacted by declines in market rents more quickly than if such leases were for longer terms. If residents decide to leave residential units located at the Property, whether because they decide not to renew their leases or they leave prior to their lease expiration date, the property manager may not be able to re-let those residential units. Even if the residents do renew or the property manager can re-let the residential units, the terms of renewal or re-letting may be less favorable than current lease terms. If the property manager is unable to promptly renew the leases or re-let the residential units, or if the rental rates upon renewal or re-letting are significantly lower than expected rates, then the Fund's results of operations and financial condition will be adversely affected. If residents do not experience increases in their income, property managers may be unable to increase rent and/or delinquencies may increase. Occupancy levels and market rents may be adversely affected by factors such as new construction or an excess inventory of multi-family and single family housing in the area of the Property, increasing portions of single family housing stock being converted to rental use, rental housing subsidized by the government or other government programs that favor owner occupied housing over multi-family or single-family rental housing, governmental regulations, the availability of low-interest mortgages or the availability of mortgages requiring little or no down payment for single family home buyers, or changes in social preferences, all of which are beyond the Fund and the Manager's control.

The development of the Property depends on its key service providers. The successful development of the Property will be dependent, in part, on the Joint Venture's ability to retain effective service providers, including contractors, sub-contractors, engineers, designers and architects. There is substantial competition for qualified service providers in the real estate industry and the loss of any key service providers could have an adverse effect on the Property and the Fund.

Risks Relating to Private Offering and Lack of Liquidity

Investor Units will have limited transferability. Each Investor will be required to represent that such Investor is acquiring the Investor Units for investment and not with a view to distribution or resale, that such Investor understands the Investor Units are not freely transferable and, in any event, that such Investor must bear the economic risk of investment in the Investor Units for an indefinite period of time because: (i) the Investor Units have not been registered under the Securities Act or applicable state "Blue Sky" or securities laws; and (ii) Investor Units cannot be sold unless they are subsequently registered or an exemption from such registration is available and such subscriber complies with the other applicable provisions of the Fund Operating Agreement. There will be no market for the Investor Units and Investors cannot expect to be able to liquidate their investment in case of an emergency. Further, the sale of the Investor Units may have adverse federal income tax consequences. The Members will be required to obtain the prior written consent of the Manager to transfer Investor Units. There are no specified circumstances relating to the granting or withholding of the required prior written consent of the Manager. Accordingly, the Manager may not consent to a request for approval to transfer Investor Units.

The price of the Investor Units is arbitrary. The purchase price of the Investor Units has been determined primarily by the capital needs of the Fund and bears no relationship to any established criteria of value such as book value or earnings per Investor Unit, or any combination thereof. Further, the price of the Investor Units is not based on past earnings of the Fund.

The Offering is not registered with Securities and Exchange Commission or state securities authorities. The Offering of the Investor Units will not be registered with the Securities and Exchange Commission under the Securities Act or the securities agency of any state, and are being offered in reliance upon an exemption from the registration provisions of the Securities Act and state securities laws applicable only to offers and sales to Investors meeting the suitability requirements set forth herein.

Since this is a nonpublic offering and, as such, is not registered under federal or state securities laws, prospective Investors will not have the benefit of review by the Securities and Exchange Commission or any state securities regulatory

authority. The terms and conditions of the Offerings may not comply with the guidelines and regulations established for real estate programs that are required to be registered and qualified with those agencies.

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

Tax Risks

Members' tax liability may exceed distributions. Assuming that the Fund is treated as a partnership for federal and state income tax purposes, the amount of taxable income or loss of each Member for any taxable year relating to the Fund's operations will be determined on the basis of such Member's allocable share of Fund ordinary income and loss as well as capital gains and losses recognized during that year. If the Fund has taxable income for a year, such income will be taxable to the Members in accordance with their allocable shares of Fund income, whether or not any amounts of cash have been or will be distributed to them. Also, because the Fund's taxable income and loss are accounted for on a calendar year basis, the Fund might generate profits in one year that are offset by losses in a subsequent tax year, and as a result a Member may be required to pay tax on profits that the Member never received. Subject to certain limitations, the Manager will determine whether and in what amount the Fund will make distributions. If a Member incurs tax liabilities as a result of being allocated Fund taxable income, there is no assurance the Member will receive distributions of cash sufficient to pay such taxes.

There may be limitations on deductibility of Fund expenses and use of passive losses. Assuming the Fund is treated as a partnership for federal and state income tax purposes, the ability of Members to claim current tax deductions for certain expenses or losses, including their share of any Fund capital losses, will be subject to various limitations. Also, for Members who are subject to the passive activity rules, their allocable share of Fund income and loss may be considered passive income or loss. Therefore, any Fund income or loss may be offset currently only against other sources of passive income or loss, such as from ownership of other partnership or limited liability company investments. It is possible that the Fund will generate passive losses for an Investor at a time when the Investor has no income or loss from other passive sources. In this situation, the Investor will not be entitled to offset his passive loss from the Fund against salary or other sources of active income.

The IRS may audit the Fund. The Fund's tax information returns may be audited by the IRS, and these audits may result in adjustments to the Fund's returns. If an audit results in an adjustment, Members may be required to file amended returns and to pay additional taxes plus interest. The Manager, as the "partnership representative" of the Fund, will have considerable authority to make decisions affecting the tax treatment and procedural rights of all of the Members, whether in connection with an audit or otherwise.

The Fund may produce Unrelated Business Taxable Income. The Fund is organized with the intention of operating as a partnership for tax purposes. Accordingly, each item of income, loss, gain, deduction and credit of the Fund will flow through to the Members in proportion to their respective Investor Units, as if such items were realized or incurred directly by the Member. To the extent that the Property is financed using debt, income earned on the Property may be reportable by tax-exempt Members as unrelated business taxable income ("UBTI"). UBTI may result in adverse tax consequences to tax-exempt Members.

UBTI of a tax-exempt entity generally has no effect on its status or on the exemption from tax of its other income. In certain circumstances, the continual receipt of UBTI may cause charitable organizations which are tax-exempt to lose their exemption. Each prospective tax-exempt Investor is urged to consult its own tax advisors concerning the possible results of an investment in the Fund.

The sale of a Property by the Joint Venture could result in ordinary income to Members. Assuming the Fund is treated as a partnership for federal and state income tax purposes, in general, if the Fund recognizes taxable gain due to the disposition of the Property, each Member will be allocated a share of such gain. Generally, any gain or loss on the disposition of a property considered to be held in the Fund's trade or business (rather than for resale) will be considered gain or loss from the sale of a "Section 1231" asset. A Member's share of such gain or loss must be combined with any other Section 1231 gain or loss incurred by him or her in that year. The net Code Section 1231 gain or loss incurred in any year would be taxed as

capital gain or ordinary loss, as the case may be. However, some of the Fund's activities with respect to a property could make it more likely that the IRS would treat that property as a "dealer" property upon resale. If it is determined that the fund is a "dealer" in real estate for federal income tax purposes with respect to any property, gain or loss recognized from a sale of such property will be taxed as ordinary income or loss. This could result in higher taxes for the Members, as ordinary income is currently taxed at higher rates than capital gain.

Some investments in the Fund may be affected by ERISA. Most pension or profit sharing plans, individual retirement accounts and other tax-advantaged retirement funds are subject to provisions of the Code, ERISA, or both, which may be relevant to a decision as to whether such a plan should invest in the Fund. For example, there may be issues as to whether such an investment is "prudent," whether the retirement plan is diversified, and whether a plan's need for liquidity has been balanced against the restrictions on transferability and the lack of liquidity associated with an investment in the Fund. Further, it is possible that the purchase of Investor Units may be or may become a "prohibited transaction." It is recommended that legal counsel be consulted by such a retirement plan before investing in the Fund.

Regulatory Risks

Government regulations may change. Increased regulatory attention has been focused on private investments like the Fund as they have become more and more popular as investment vehicles. New regulations have been adopted or are being proposed that address the way that private investment companies are regulated. For example, the Securities and Exchange Commission proposed a new rule that may increase the minimum net worth required for any individual to invest in a private investment pool such as the Fund. In the current environment, prospective Investors must recognize the possibility of a future regulatory change altering, perhaps to a material extent, the nature of an investment in the Fund or the Fund's ability to raise funds.

The Fund may be subject to registration under the Investment Company Act of 1940, as amended. The Fund intends to rely on an exemption from registration under Section 3(c)(5)(C) of the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the "40 Act"). The Fund intends to follow other no-action letters issued by the SEC to provide guidance in complying with Section 3(c)(5)(C). However, the Fund will not submit a request for a no-action letter to the SEC, to verify that its intended structure will meet the exemption. If the Fund is unable to meet the exemption and unable to avail itself of any safe-harbors or other exemptions under the 40 Act, such as Section 3(c)(1) of the 40 Act, it would be required to register as an investment company, the cost of which would be prohibitive and could have materially adverse consequences for the Fund and might cause the Manager to decide to dissolve the Fund. Assuming that the Fund does meet the exemption, the Fund will not be subject to certain restrictions, disclosure requirements and other obligations set forth in the 40 Act, and Investors will not benefit from some of the protections afforded by the 40 Act, including oversight of the Securities and Exchange Commission.

Limited regulatory oversight. The Manager is not currently registered as an investment adviser, or included within the registration of an affiliated investment adviser, under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), or state investment advisory laws. In addition, the Manager is not, and will not be, registered as a commodity pool operator under the Commodity Exchange Act of 1936, as amended (the "Commodity Exchange Act"), because the Fund will not invest in commodities. As a result, the Manager and the Fund generally are not subject to certain restrictions, disclosure requirements and other obligations set forth in the Advisers Act, state investment advisory laws and the Commodity Exchange Act that are applicable to registered investment advisors and commodity pool operators. So long as the Manager remains unregistered under these laws, Investors will not benefit from some of the protections afforded by these statutes, including oversight of the Securities and Exchange Commission, the Commodity Futures Trading Commission or state securities regulators.

Investment by tax-exempt Investors require special consideration. In considering an investment in Investor Units of a portion of the assets of a trust or a pension or profit-sharing plan qualified under Section 401(a) of the Code and exempt from tax under Section 501(a), a fiduciary should consider (i) whether the investment satisfies the diversification requirements of Section 404 of the Employee Retirement Income Security Act of 1974 ("ERISA"); (ii) whether the investment is prudent, since the Investor Units are not freely transferable and there will not be a market created in which he can sell or otherwise dispose of the Investor Units; and (iii) whether Investor Units or the underlying assets owed by the Fund constitute "Plan Assets" under ERISA.

ESTIMATED USE OF PROCEEDS

The following table sets forth certain information concerning the estimated use of proceeds of the Offering.

	Maximum Offering [1]	
	Amount	Percentage of Gross Proceeds
Gross Offering Proceeds [2]	$49,375,000	100.0%
Organization and Offering Expenses [3]	$493,750	1.00%
Selling Commissions [4]	$3,209,375	6.50%
Marketing and Due Diligence Allowance [4]	$493,750	1.00%
Managing Broker-Dealer Fee/Allowance [4]	$246,875	0.50%
Wholesaling Fee [4]	$493,750	1.00%
Total	$4,937,500	10.0%
Amount Available for Investment [6]	$44,437,500	90.0%
Total Application [5]	$49,375,000	100.0%

(1) Assumes the maximum offering amount of $49,375,000 is fully subscribed for in this Offering. The Offering is subject to increase up to $56,782,000 in the Manager's sole discretion. The Offering is expected to terminate on June 30, 2024, unless terminated earlier or extended by the Manager in its sole discretion. There is no minimum or maximum amount of aggregate capital to be raised by this Offering and there is no minimum amount of subscriptions that the Fund must receive as a condition to commencing its operations. The Fund's total ownership percentage in the Joint Venture will depend upon the total amount raised in this Offering.

(2) The Manager may accept purchases of Investor Units net (or partially net) of the Selling Commissions and Expenses (as defined below) and other items of fees, commissions, expenses and other compensation due to the Manager or its affiliate in certain circumstances deemed appropriate by it, in its sole discretion, including by way of illustration, but not limitation, from Investors purchasing through a registered investment advisor, or from Investors who are affiliates of the Manager or a member of the Selling Group. For purposes hereof, an "affiliate" of any person (i.e., a natural person, corporation, partnership, trust, unincorporated association or other legal entity) shall be any person directly or indirectly controlling, controlled by, or under common control with, another person.

(3) An organization, marketing and offering cost allowance (the "Organization and Offering Expense Allowance") of 1.0% of Gross Proceeds will be paid to the Manager or its affiliate as reimbursement for expenses incurred in connection with the Offering, including, but not limited to, the costs of organizing the Fund and the Manager, marketing, legal, finance, and printing fees and expenses incurred in connection with this Offering, which it may reallow (in its sole discretion) to other members of the Selling Group on a nonaccountable basis.

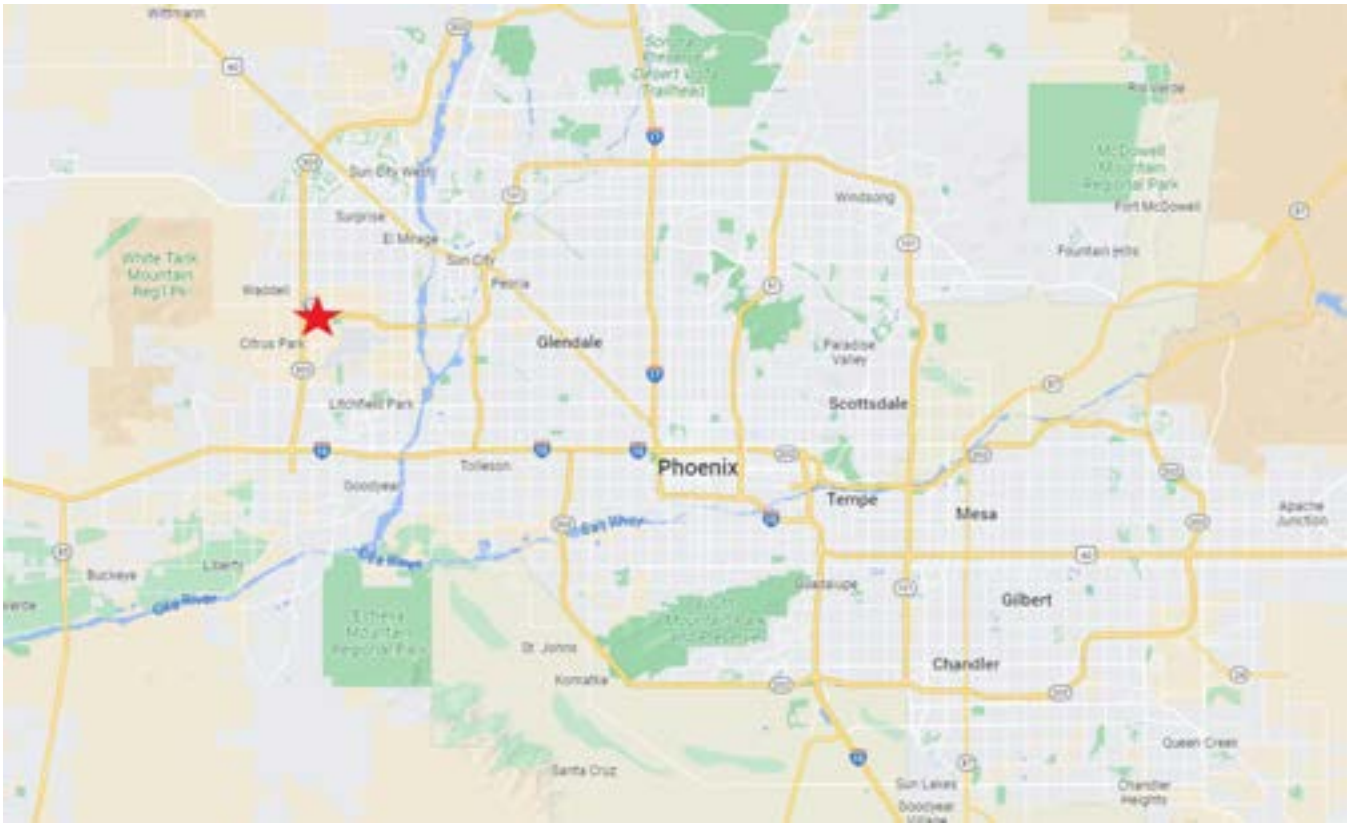
(4) Offers and sales of Investor Units will be made on a "best efforts" basis by broker-dealers ("Broker-Dealers," and collectively the "Selling Group") who are members of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Broker-Dealers will receive: (i) a selling commission of up to 6.5% of the gross proceeds ("Gross Proceeds") of the Offering ("Selling Commissions"), and (ii) a nonaccountable marketing and due diligence allowance of up to 2.5% of the Gross Proceeds, a portion of which may be paid out of the Organization and Offering Expense Allowance or other items of compensation payable to the Manager or an affiliate if elected by the Manager or such affiliate, as the case may be, in its sole discretion (the "Selling Group Allowances"). The Manager expects that Selling Group Allowances will average 1.00% of Gross Proceeds, as shown in the table above. WealthForge Securities, LLC (the "Managing Broker-Dealer"), a member of FINRA, will act as Managing Broker-Dealer. In addition to the Selling Commissions and Selling Group Allowances, the Managing Broker-Dealer will receive a managing broker-dealer fee of up to 0.5% of the Gross Proceeds for serving as Managing Broker-Dealer (the "Managing B-D Fee"), and a wholesaling fee of up to 1.0% of the Gross Proceeds (the "Wholesaling Fee") may be paid to wholesalers. The Manager reserves the right to reallocate items of compensation set forth herein.

(5) Some of the numbers in the above table may have been rounded. The Selling Commissions and Expenses have been estimated for purposes of this table. If the actual Selling Commissions and Expenses exceed these estimates, the Manager will bear those excess Selling Commissions and Expenses on behalf of the Fund. Conversely, if the estimated Selling Commissions and Expenses exceed the actual amount of Selling Commissions and Expenses, the Selling Group or the Manager, as applicable, will retain the difference as additional compensation.

(6) The Amount Available For Investment includes amounts sufficient to pay (i) the Asset Management Fee, and Equity Placement Fee, which shall be payable to a Manager or its designee; and (ii) the projected carrying costs associated with the Manager's use of Capital Square's internal funds to satisfy the Fund's capital contributions to the Joint Venture until such time that the Fund raises sufficient proceeds in this Offering to reimburse Capital Square for the use of such internal funds. Such carrying costs have been projected by underwriting a charge of 20% per month for a term of 24 months, which is the current market rate for similar funds provided by a credit facility.

MARKET OVERVIEW

The Property is located in Glendale, Arizona, within the West Valley region of the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area (the "MSA").



The Phoenix-Mesa-Scottsdale Metropolitan Statistical Area

The MSA is the 10th largest metropolitan statistical area in the United States (larger than San Francisco and Boston).[2] It is home to approximately five million residents[3] who were likely drawn to the area by the employment opportunities, affordable living, and high-quality of life that Phoenix offers, such as average daily temperatures of 75 degrees and 300 days of sunshine each year.[4] In addition, Phoenix is one of twelve cities in the country with four professional sports teams in the four major sports – football, basketball, baseball and ice hockey.[5] The Arizona Cardinals of the National Football League are located in Glendale, approximately 10 miles from the Property.

The MSA has experienced record population growth, adding an average of 84,000 new people annually from 2010 to 2019, which equates to a 1.8% compound annual growth rate ("CAGR"). [6] Relocations into Phoenix contributed to approximately 60% of this growth. [7] In 2022, the MSA grew by 72,000 residents or approximately 200 per day.[8] Net migration is projected to continue over the next five years, with the MSA being projected to gain more than 250,000 new residents.[9] Household growth is also expected to grow approximately 2% annually through 2026. [10]

[2] U.S. Census Bureau, 2022.
[3] U.S. Census Bureau, 2022.
[4] "Phoenix Weather: What to Expect All Year Long," *Phoenix Uncovered*, accessed July 12, 2023, https://www.phoenixuncovered.com/phoenix-weather.html.
[5] "Phoenix Sports," *Visit Phoenix*, accessed July 12, 2023, https://www.visitphoenix.com/events/sports-events/.
[6] John Burns Real Estate Consulting, 2023.
[7] John Burns Real Estate Consulting, 2023.
[8] U.S. Census Bureau, 2022.
[9] Berkadia, 2023.
[10] John Burns Real Estate Consulting, 2023.

Phoenix has experienced robust market rent growth, averaging 4.1% since 1985.[11] Phoenix was the No. 4 rent growth market in the country over the prior three years, with rents increasing by 38%.[12] In addition, Phoenix has experienced 30% single family residential rent growth since March 2020, topping all other U.S. markets.[13] Since 2009, Phoenix has experienced 96.3% market rent growth or a 5.3% CAGR.[14] Relative to the broader Phoenix market, West Valley over the same period has experienced superior rent growth (111.9% or 5.9% CAGR) and lower vacancy (5.3%).[15] Rent and overall occupancy in the MSA align with recent trends, by peaking in 2021 and tempering in 2022. [16] Occupancy appears to have stabilized at approximately 95%.[17] Currently, year-over-year rent growth is estimated at 4.8%, with 5.5% year-over-year rent growth expected in 2023 and 5.0% year-over-year rent growth expected through December 2024.[18]

The MSA offers many employment opportunities to its residents. The Greater Phoenix area is home to all of Arizona's ten Fortune 500 companies, including Avnet, Freeport-McMoRan, Reliance Steel & Aluminum, Outdoor Technologies, Carvana, Republic Services, Insight Enterprises, On Semiconductor, Taylor Morrison Home, and Knight-Swift Transportation.[19] The MSA has gained 380,000 jobs since April 2020[20] and is estimated to have a five-year 1.2% CAGR for job growth.[21]

West Valley – A Growing Section of the Phoenix MSA

The West Valley is a region within the MSA which is located west of the Phoenix city limits. New residential development in the West Valley is being fueled in large part by job growth in the industrial/logistics and advanced manufacturing sectors.[22] The completion of Loop 300 with connections to Interstates 10 and 17 have improved distribution and logistics access to and from the West Valley and the transportation systems that serve the southwestern region of the country.[23] California, Salt Lake City, Denver, and Dallas are now all within a two-day highway delivery of West Valley, making West Valley a strategic location.[24]

As a result of this strategic location, many businesses are planning to build new industrial parks or relocate to recently constructed industrial parks in the area.[25] In July 2020, Amazon announced its plans to open a 145,491-square-foot delivery station in the Southwest Railplex which is a two-mile industrial zone in Surprise, Arizona.[26] This development added approximately 300 jobs and sparked a wave of industrial development in the area. [27] In March 2021, Taiwan Semiconductor Manufacturing Co. and the City of Phoenix signed a development agreement to bring a $12 billion chip manufacturing center.[28] Shortly thereafter, TSMC supplier Rinchem agreed to build a facility, Carvana Co. bought 150 acres for a 200,000-square-foot reconditioning and inspection center, and JBugs, a specialty Volkswagen supplier, constructed a 80,382-square-foot warehouse building.[29] By the beginning of April 2022, the Southwest Railplex had sold all of its large parcels. [30] In addition to the Southwest Railplex, construction of the Prologis 303 Business Park, a 1.2 million-square-foot business park in Goodyear, is

[11] John Burns Real Estate Consulting, 2023.
[12] CoStar, 2022.
[13] John Burns Real Estate Consulting, 2023.
[14] CoStar, 2022.
[15] CoStar, 2022.
[16] CoStar, 2022.
[17] CoStar, 2022.
[18] John Burns Real Estate Consulting, 2023.
[19] "10 Arizona companies are on the Fortune 500 list for 2023," *AZ Central*, June 16, 2023, https://www.azcentral.com/picture-gallery/money/business/2023/06/17/10-arizona-companies-fortune-500-list-2023/12122384002/.
[20] Berkadia, 2023.
[21] Green Street, as of June 2023.
[22] John Burns Real Estate Consulting, 2021.
[23] John Burns Real Estate Consulting, 2021.
[24] John Burns Real Estate Consulting, 2021.
[25] John Burns Real Estate Consulting, 2021.
[26] Richard Smith, "Surprise sells out large railplex parcels," *Daily Independent*, April 14, 2022, https://www.yourvalley.net/stories/surprise-sells-out-large-railplex-parcels,297583.
[27] Richard Smith, "Surprise sells out large railplex parcels," *Daily Independent*, April 14, 2022, https://www.yourvalley.net/stories/surprise-sells-out-large-railplex-parcels,297583.
[28] Richard Smith, "Surprise sells out large railplex parcels," *Daily Independent*, April 14, 2022, https://www.yourvalley.net/stories/surprise-sells-out-large-railplex-parcels,297583.
[29] Richard Smith, "Surprise sells out large railplex parcels," *Daily Independent*, April 14, 2022, https://www.yourvalley.net/stories/surprise-sells-out-large-railplex-parcels,297583.
[30] Richard Smith, "Surprise sells out large railplex parcels," *Daily Independent*, April 14, 2022, https://www.yourvalley.net/stories/surprise-sells-out-large-railplex-parcels,297583.

expected to be completed in the first quarter of 2024.[31] Furthermore, Park303, a 210-acre premium industrial park offering up to 4 million square feet of space at the 303 Loop and Glendale Avenue, is under construction.[32]

Glendale – Convenient Access to Amenities

Glendale, Arizona provides numerous amenities to its residents. The Property is approximately 4 miles south of Costco and 4 miles southeast of The Village at Prasada, an outdoor shopping center that is currently under construction. The Village at Presada is expected to feature Sprouts Farmers Market, Ulta Beauty, TJ Maxx, Marshalls, PetSmart, and other desirable shops. A new Desert Diamond Casino, a $450 million casino development adjacent to the Property, is scheduled to be completed in 2024.[33] The casino complex is expected to feature a hotel, a conference center, an outdoor pool, recreational amenities, an amphitheater and event lawn space and employ approximately 1,300 people.[34] In addition, the Property is conveniently located near and districted to Luke Elementary and Shadow Ridge High School, the highest rated high school of those serving comparable properties.[35]

The Property's location within Glendale offers its residents easy access to major employment sectors in the Greater Phoenix area. The Property is approximately 28 miles (approximately 30 minutes driving time) from Downtown Phoenix and only 3.6 miles (approximately 5 minutes driving time) from the Luke Air Force Base. The Property is located 0.25 miles off the 303 Freeway, which is at the epicenter of the growing Glendale industrial submarket discussed above.

Residents also benefit from the Property's proximity to Sky Harbor International Airport ("PHX"), which is approximately 31 miles (approximately 35 minutes driving time) from the Property. PHX recently underwent a $600 million renovation and modernization project.[36] It serves more than 44 million passengers annually and offers passengers the ability to fly to every major city in the U.S. [37]

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[31] "Prologis | 303 Business Park Breaks Ground," *City of Goodyear, Arizona Economic Development*, March 14, 2023, https://www.developgoodyearaz.com/Home/Components/News/News/12663/1583.
[32] "Park 303, A Premier Industrial Park by Lincoln Property Company," accessed July 12 2023, https://park303lpc.com/.
[33] "New Desert Diamond Casino breaks ground in the West Valley," *AZ Big Media*, April 12, 2023, https://azbigmedia.com/real-estate/new-desert-diamond-casino-breaks-ground-in-the-west-valley/#:~:text=The%20property%20for%20the%20new,the%20first%20West%20Valley%20facility.
[34] "New Desert Diamond Casino breaks ground in the West Valley," *AZ Big Media*, April 12, 2023, https://azbigmedia.com/real-estate/new-desert-diamond-casino-breaks-ground-in-the-west-valley/#:~:text=The%20property%20for%20the%20new,the%20first%20West%20Valley%20facility.
[35] Greatschools.com, 2022.
[36] "About PHX," *Phoenix Sky Harbor International Airport*, accessed July 12, 2023, https://www.skyharbor.com/about-phx/.
[37] "About PHX," *Phoenix Sky Harbor International Airport*, accessed July 12, 2023, https://www.skyharbor.com/about-phx/.

BUSINESS PLAN

Property Acquisition

The Property is an approximately 29-acre site located at the intersection of Northern Parkway and North Sarival Avenue in Glendale, Arizona, a suburb of Phoenix. The Joint Venture expects that the Property Owner will acquire the Property from a third-party seller on or before September 21, 2023.

After the Property Owner acquires the Property, the Joint Venture plans to develop the Property into a single-family "build-for-rent" community that will feature 320 Class A units, including 218 townhome-style units with a mix of two- and three-bedroom floorplans and 102 detached villa-style units with a mix of three- and four-bedroom floorplans. See "DESCRIPTION OF THE PROPERTY" for a detailed description of the Project and Project renderings.

The Joint Venture Team

Capital Square has partnered with Sunstone Two Tree, LLC, a Delaware limited liability company ("Sunstone Two Tree") for this Project.

Capital Square is a national real estate firm headquartered in Richmond, Virginia specializing in tax-advantaged real estate investments, including Delaware statutory trusts ("DSTs") for 1031 Exchanges, qualified opportunity zone funds, development funds and a real estate investment trust ("REIT"). In recent years, the Sponsor has become an active developer of mixed-use multifamily properties in the southeastern U.S., with ten current projects totaling approximately 2,000 apartment units, with a total development cost in excess of $750 million. Since 2012, Capital Square has completed more than $7.5 billion in transaction volume. Capital Square's related entities provide a range of services, including due diligence, acquisition, loan sourcing, property/asset management and disposition, for a growing number of high-net-worth investors, private equity firms, family offices and institutional investors nationwide. Since 2017, Capital Square has been recognized by Inc. 5000 as one of the fastest growing companies in the nation. In 2017, 2018 and 2020, the Sponsor was also ranked on Richmond BizSense's list of fastest growing companies. Additionally, Capital Square was listed by Virginia Business on their "Best Places to Work in Virginia" report in 2019 and their "Fantastic 50" reports in 2019 and 2020.

Sunstone Two Tree is a vertically integrated operator, developer and fund manager with deep expertise and a successful track record. Since its founding in 2012, Sunstone Two Tree has raised six funds and acquired approximately 5,500 units. Starting in 2020, Sunstone Two Tree began developing medium to high-density single-family home (attached and detached) communities. These projects combine many of the benefits of single-family living (larger units, dedicated parking, private yards and lower tenant turnover) with the operating efficiencies of multifamily communities and cater to millennials who are finally entering the household formation stage and baby boomers who are entering their empty nester years and are looking to simplify their lifestyle and downsize. Currently, Sunstone Two Tree has a 2,000-home pipeline in various stages of development in high-growth markets across the Mountain West and Arizona. Together, Sunstone Two Tree's team has an average tenure of 20 years and has completed over $55 billion of real estate transactions.

See the section of this Memorandum entitled "MANAGEMENT" for a discussion of the Joint Venture members' management teams.

About "Build-For-Rent" Homes

"Build-for-rent" homes, comprised of communities of single-family homes built for the sole purpose of renting, have become an increasingly popular investment option among institutions and individual investors in recent years. Demand for this rental living option also continues to grow, as it offers the financial and leasing flexibility of a rental with the amenities and convenience of a professionally managed property to those who seek a single-family home lifestyle. Increasing demand for build-for-rent homes led to the construction of more than 6,700 such properties in 2021, the highest yearly total to date, while an estimated 14,000 build-for-rent homes will be completed in 2022, according to Yardi Matrix.

Within the submarket, approximately 3,200 new renters are expected to seek single-family and build-for-rent homes,[38] but only 2,300 single-family/build-for-rent units are expected to be delivered over the next 12 months.[39] The Sponsor believes that this estimated annual undersupply of approximately 900 units should result in continued demand for properties like the Project.

[38] John Burns, 2023.
[39] CoStar.

Skyrocketing home sales prices and rising mortgage interest rates are helping to fuel the demand for single-family rental housing. Many residents are finding that it is more affordable to rent a home than it is to buy one. For example, a typical $450,000 house in Phoenix costs $3,142 per month to own, compared to the Project's projected rents of approximately $2,504 per month.[40] By renting instead of owning, residents will pay approximately $638 less in housing costs per month.

Construction Loan

On July 25, 2023, Sunstone Two Tree obtained a Term Sheet from Arbor Realty SR, Inc. (the "Lender") for a loan that will fund the construction and development of the Project (the "Construction Loan"). The Construction Loan is expected to (i) have a loan amount of up to $78,100,000; (ii) have a term of thirty-six (36) months with the option to extend for one (1) additional period of twelve (12) months; and (iii) require interest only payments at a floating rate of one month CME Term SOFR plus 4.25% provided that at no time during the term shall the CME Term SOFR be less than 3.25%. The Property Owner intends to purchase an interest rate cap in a notional amount equal to the maximum loan amount for the duration of the Construction Loan (including any extensions) at a strike rate of six percent (6%). The Construction Loan is expected to be evidenced by a promissory note and secured by a deed of trust recorded against the Property.

The Manager expects that the Construction Loan will close on or about the same date that the Property Owner acquires the Property. As of the date of this Memorandum, Capital Square is finalizing the terms of the Construction Loan and expects to begin loan document negotiations with the Lender shortly. The Manager will supplement this Memorandum when the Construction Loan closes and will make copies of the loan documents available upon request.

Development Management Agreement

On March 10, 2023, Sunstone Two Tree Development, LLC, a Delaware limited liability company and an affiliate of Sunstone Two Tree ("Sunstone Development"), and the Property Owner entered into that certain Development Management Agreement, pursuant to which Sunstone Development agreed to manage the development of the Project.

Project Budget

Based on preliminary underwriting, largely based on Sunstone Two Tree's and Capital Square's experience at similarly sized projects, the Project budget is estimated at approximately $122,255,893, which includes approximately $15,099,969 for costs related to the acquisition of the Property. Also included within the budget are approximately $79,459,153 in hard costs, approximately $650,000 in furniture, fixtures and equipment, approximately $9,828,772 in soft costs, approximately $2,493,093 in financing costs, and approximately $14,724,905 in capitalized interest, reserves and contingency. Please see the Pro Forma attached hereto as Exhibit C for a more detailed breakdown of the budget.

Construction Timeline

A tentative construction timeline which is subject to change, is delineated below:

- Property Closing: September 21, 2023
- End of Predevelopment Period: November 30, 2023
- Start of Construction: January 31, 2024
- Start of Lease-Up: March 31, 2026
- End of Construction: July 31, 2026
- Stabilization: September 30, 2027
- Sale/Disposition: October 31, 2027

See the section of this Memorandum entitled "DESCRIPTION OF THE PROJECT" for a detailed description of the Project and the Pro Forma attached hereto as Exhibit C for a more detailed residential unit delivery schedule.

[40] Calculated assuming 20% down payment on a 30-year fixed mortgage at 7% and monthly operating expenses including $125 homeowners' association fee, $42 insurance, $250 property taxes, $150 maintenance/landscaping, and $100 reserves.

Exit Strategies

The Fund currently anticipates that the Joint Venture will hold the Property until approximately October 31, 2027. However, the JV Agreement grants the members of the Joint Venture certain rights to extend or shorten the holding period in certain circumstances, as discussed hereinafter. For the avoidance of doubt, the Joint Venture plans to dispose of the Property in a single portfolio disposition and not by individual home. If the Property Owner were to desire to sell a portion of the Property, it is expected that the Property Owner would be required to either obtain the consent of the Lender under the Construction Loan or fully repay the Construction Loan concurrently with the sale. Because the proceeds of the sale of individual homes would likely not cover the proceeds required to fully repay the Construction Loan and because the Lender would likely withhold its consent to a disposition of less than all of the Property, the Fund expects that a sale of the Property by individual home(s) would be impracticable.

Beginning on the later of (i) the Completion Date (as defined in the JV Agreement), and as evidenced by the issuance by the applicable governmental authority, of a certificate of occupancy or its equivalent for the Improvements or (ii) the date on which the entire Improvements achieve a 93% occupancy, the Fund may elect to acquire the Project on the terms and conditions set forth in the JV Agreement. Such date is referred to as the "Lockout Date" in the JV Agreement. Sunstone Two Tree has the right to extend and/or delay this Lockout Date for a period of up to six months by delivering notice of such extension to the Fund on the date that is no later than 10 business days after receipt of a Lockout Offer from the Fund in accordance with Section 9.5 of the JV Agreement.

If the Fund elects to acquire the Project, as an alternative exit strategy, the Manager may elect to facilitate a contribution transaction pursuant to Section 721 of the Code (a "721 UPREIT Contribution") or convey the Property to a Delaware Statutory Trust ("DST") that is an affiliate of Capital Square.

In a 721 UPREIT Contribution, the Manager will provide each Member with the option of either (i) exchanging its Investor Units for an equivalent value of OP Units of a Capital Square-affiliated REIT (such exchange is referred to as a "721 Exchange") or (ii) in lieu of participation in the 721 Exchange, receiving a fair market value cash buy-out of its Investor Units.

Similarly, if the Manager elects to convey the Project to a DST, the Manager will provide each Member with the option of either (a) exchanging its Investor Units for an equivalent value of beneficial ownership interests in the DST or (ii) receiving a fair market value cash buy-out of its Investor Units.

The Manager expects that it will obtain one or more third-party broker opinion(s) of value and/or appraisal(s) in order to determine the fair market value of the Investor Units at the time of the 721 UPREIT Contribution or conveyance to a DST, as applicable.

A DST is a distinct legal entity created as a trust under the statutory law of Delaware. Provided that the DST complies with the requirements of IRS Revenue Ruling 2004-86, each owner is treated as owning an undivided interest in the real estate for tax purposes. This allows each owner to participate in a Section 1031 exchange and receive passive income as well as potential for appreciation from real estate ownership. Because Capital Square's DST offerings comply with the requirements of IRS Revenue Ruling 2004-86, the Manager could elect to convey the Property to a DST affiliated with Capital Square in order to provide Investors with the potential for superior risk-adjusted returns.

The 721 UPREIT Contribution exit strategy aims to provide Investors with (a) access to a diversified portfolio of institutional-quality real estate, (b) further deferral of capital gains taxes, (c) realization of the economic benefits of the REIT's entire portfolio, including potential capital appreciation and distributions of operating income, (d) convertibility of the OP Units into REIT shares (at each Investor's discretion at the time of exit or needing liquidity), (e) management of tax gain through partial conversion and liquidation of the OP Units over time, (f) full divisibility of the OP Units, and (g) upon death, receipt by each Investor's heirs of a stepped-up basis in the OP Units.

While there can be no guarantee that the Investors will receive any of these targeted benefits or that a liquidity or exit transaction will take place within the Fund's targeted timeframe, the Manager intends to pursue such an exit or liquidity event if it believes that it will be in the best interests of the Investors and will provide them with enhanced liquidity and value.

DESCRIPTION OF THE PROJECT

The Project is expected to be a single-family rental community that features 320 Class A units, including 218 townhome-style units with a mix of two- and three-bedroom floorplans and 102 detached villa-style units with a mix of three- and four-bedroom floorplans. Each home will be two story, will have a direct access garage, and will have a private yard. The villas will feature one three-bedroom plan and two four-bedroom plans. The three- and four-bedroom villa floorplans are based on the same floor plate and lot size for efficiency in planning and construction. The villas will have three different elevations. The townhomes feature three different floor plans and two separate elevations.

The expected unit characteristics are shown in more detail in the chart below:

Type	Bedrooms	Bathrooms	Units	SF
Detached Villa	3	2.5	12	1,559
Detached Villa	4	2.5	90	1,668
Townhome	2	2.5	92	1,054
Townhome	3	2.5	48	1,265
Townhome	3	2.5	78	1,491
Total/Weighted Average			**320**	**1,384**

Community amenities are expected to include a pool, a spa, a fitness center, a leasing office, pickleball courts, a grilling pavilion, gated entry, pocket parks, a dog run and a tot lot.

The following are preliminary renderings of the Project, which are conceptual and for representational purposes only. All features, specifications and plans are subject to change. Not all designs, amenities, features and finishes depicted herein may be constructed in accordance with the renderings. The improvements represented are not to scale and may not be shown in their final as-built locations and orientations.

DETACHED PRODUCT REPRESENTATION – 3 BED VILLA

Spanish Elevation

Agrarian Elevation

Ranch Elevation

Representative Interior Finishes

DETACHED PRODUCT REPRESENTATION – 4 BED VILLA

Spanish Elevation

Agrarian Elevation

Ranch Elevation

Representative Interior Finishes

ATTACHED PRODUCT REPRESENTATION– MODERN AGRARIAN

Front Elevation

Rear Elevation

ATTACHED PRODUCT REPRESENTATION– SPANISH

Front Elevation

Rear Elevation

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PLAN OF DISTRIBUTION

Capitalization

The Offering is for up to $49,375,000 of Investor Units, subject to increase to $56,782,000 in the Manager's discretion. The Manager may hold the Initial Investor Closing for the first subscription payment the Fund receives. A minimum purchase of 100 Investor Units ($100,000) is required, except that the Manager reserves the right, in its sole discretion, to accept smaller subscriptions. After capitalizing the Fund at the Initial Investor Closing, Investor Units will be sold on an individual basis and the net proceeds from the sale of each Investor Unit will be added to the Fund's capital and used for the purposes set forth in this Memorandum.

The Offering will be made on a "best efforts" basis with no minimum or maximum aggregate investment raise requirement and no minimum amount of subscriptions that the Fund must receive as a condition to commencing its operations. The Manager reserves the right to raise additional equity or debt capital in or alongside the Fund or consent to investments in the Joint Venture by one or more additional funds, as the Manager deems necessary or advisable in order to develop the Project, which additional capital may be funded by third parties or affiliates of the Manager, including employees of Capital Square.

In addition, the Manager reserves the right to terminate this Offering at any time, even if it has raised a smaller amount of capital than the Maximum Offering Amount. For example, the Manager might determine, in its sole discretion, that it is not necessary to raise the full Maximum Offering Amount permitted by this Memorandum because it successfully obtained bonds or other financing that provides the capital necessary to complete the development plans.

If a smaller amount of capital is raised in this Offering than the Maximum Offering Amount, the expenses of the Fund assessed to the Members will be higher on a per Member basis than if more capital had been raised. In addition, if the Manager raises less than the total amount of capital necessary to complete the development plans, then the Joint Venture may be required to alter its development plans for the Property and/or increase its leverage. See "RISK FACTORS - Risks Relating to the Formation and Internal Operation of the Fund - There is no minimum Offering amount and the Fund may conduct its business with limited fundraising."

Qualifications of Investors

The Investor Units may be purchased only by Investors who have been appropriately verified as accredited investors and satisfy certain Investor suitability requirements established by the Manager. See "WHO MAY INVEST."

Sales of Investor Units

The purchase price of $1,000 for each Investor Unit will be payable in full upon subscription and will be the Investor's capital contribution to the Fund. There is no assurance that all Investor Units will be sold. The Manager reserves the right, in its sole discretion, to refuse to sell Investor Units to any person. In addition, the Manager may terminate this Offering at any time.

Marketing of Investor Units

Offers and sales of Investor Units will be made on a "best efforts" basis by broker-dealers ("Broker-Dealers," and collectively the "Selling Group") who are members of the Financial Industry Regulatory Authority, Inc. ("FINRA"). Broker-Dealers will receive: (i) a selling commission of up to 6.5% of the gross proceeds ("Gross Proceeds") of the Offering ("Selling Commissions"), and (ii) a nonaccountable marketing and due diligence allowance of up to 2.5% of the Gross Proceeds, a portion of which may be paid out of the Organization and Offering Expense Allowance or other items of compensation payable to the Manager or an affiliate if elected by the Manager or such affiliate, as the case may be, in its sole discretion (the "Selling Group Allowances"). The Manager expects that Selling Group Allowances will average 1.00% of Gross Proceeds, as shown in the Estimated Use of Proceeds table. WealthForge Securities, LLC (the "Managing Broker-Dealer"), a member of FINRA, will act as Managing Broker-Dealer. In addition to the Selling Commissions and Selling Group Allowances, the Managing Broker-Dealer will receive a managing broker-dealer fee of up to 0.5% of the Gross Proceeds for serving as Managing Broker-Dealer (the "Managing B-D Fee"), and a wholesaling fee of up to 1.0% of the Gross Proceeds (the "Wholesaling Fee") may be paid to wholesalers. An organization, marketing and offering cost allowance (the "Organization and Offering Expense Allowance") of 1.0% of the Gross Proceeds will be paid to the Manager or its affiliate as reimbursement for expenses incurred in connection with the Offering, including, but not limited to, the costs of organizing the Fund and the Manager, marketing, legal, finance, and printing fees and expenses incurred in connection with this Offering, which it may reallow (in its sole

discretion) to other members of the Selling Group on a nonaccountable basis. The Manager reserves the right to reallocate items of compensation set forth herein. See "ESTIMATED USE OF PROCEEDS." The total aggregate amount of Selling Commissions, Selling Group Allowances, Managing B-D Fee, Wholesaling Fee and Organization and Offering Expense Allowance (collectively, "Selling Commissions and Expenses") is not anticipated to exceed 10% of the Gross Proceeds. The Manager may accept purchases of Investor Units net (or partially net) of one or more Selling Commissions and Expenses and other items of fees, commissions, expenses or other compensation due to the Manager or its affiliate in certain circumstances deemed appropriate by it, in its sole discretion, including by way of illustration, but not limitation, from investors purchasing through a registered investment adviser, or from investors who are affiliates of the Manager or a member of the Selling Group. The Selling Commissions and Expenses have been estimated for purposes of the Estimated Use of Proceeds table, and if the actual amounts exceed these estimates, the Manager will bear such excess on behalf of the Fund. Conversely, if the estimated Selling Commissions and Expenses exceed the actual amount of Selling Commissions and Expenses, the Selling Group or the Manager, as applicable, will retain the difference as additional compensation. For purposes hereof, an "affiliate" of any person (i.e., a natural person, corporation, partnership, trust, unincorporated association or other legal entity) shall be any person directly or indirectly controlling, controlled by, or under common control with, another person.

The Broker-Dealer Agreement between the Fund and WealthForge for the sale of Investor Units contains certain cross-indemnities which require one party to indemnify certain other parties under certain circumstances stated therein with respect to certain liabilities, including certain civil liabilities under the Securities Act, which may arise from the use of this Memorandum in connection with the Offering of the Investor Units. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Fund pursuant to the foregoing provisions, or otherwise, the Fund has been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

Inquiries regarding subscriptions should be directed by telephone at (888) 818-1031 or email at info@capitalsq.com. Subscriptions must be delivered to the Fund at 10900 Nuckols Road, Suite 200, Glen Allen (Richmond), VA 23060.

Reduction of Securities Compensation

The Fund, in the Manager's sole discretion, may accept purchases of Investor Units net of all or an agreed portion of Selling Commissions and Expenses, including by way of illustration, but not limitation, from subscribers purchasing through a registered investment advisor, from subscribers for the Investor Units who are affiliates of the Manager or a member of the selling group for the Investor Units or its affiliates. The reduction of the Selling Commissions and Expenses may be offered on a selective basis, as determined by the Manager, in its sole discretion.

Sales Materials

The Offering is made only by means of this Memorandum. Except as described herein, neither the Fund nor the Manager has authorized the use of other sales materials in connection with the Offering. No dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Memorandum, and, if given or made, such information or representations must not be relied upon.

The Fund, the Manager and their affiliates may also respond to specific questions from members of the selling group for the Investor Units, registered representatives, prospective Investors and their advisors.

Subscription Procedures

See "HOW TO SUBSCRIBE."

Offering Period

The Fund intends to continue the Offering until the earlier of (i) $49,375,000 in Investor Units (or up to $56,782,000 or such lesser amount in the Manager's sole discretion) have been sold or (ii) June 30, 2024 (which date the Manager may extend in its sole discretion to such later date it determines necessary).

Acceptance of Subscriptions

The Manager and the Fund have the right, to be exercised in their sole discretion, to accept or reject any subscription in whole or in part for a period of 15 days after receipt of the subscription. Any subscription not accepted within 15 days of

receipt shall be deemed rejected.

Limitation of Offering

The offer and sale of the Investor Units offered hereby are made in reliance upon exemptions from the Securities Act and state securities laws. Accordingly, the sale of Investor Units pursuant to this Offering is strictly limited to persons satisfying the requirements described herein, and this Memorandum does not constitute an offer to sell or a solicitation of an offer to buy with respect to any person not satisfying those qualifications.

CAPITALIZATION OF THE FUND

The following table sets forth the equity capitalization of the Fund reflecting the issuance and sale of the Investor Units offered hereby.

	Maximum [1]
Investor Units [2]	49,375
Total [3]	$49,375,000

(1) The Fund intends to continue the Offering until the earlier of (i) $49,375,000 in Investor Units (or up to $56,782,000 or such lesser amount in the Manager's sole discretion) have been sold or (ii) June 30, 2024 (which date may be extended in the sole discretion of the Manager).

(2) The amounts reflect cash contributions of Investors as of the future date of capitalization of the Fund in the amount of $1,000 per Investor Unit. It is not anticipated that the Manager or its affiliates will make any cash contributions to the Fund.

(3) This amount does not reflect the payment of any expenses or costs, including selling commissions, marketing and due diligence expenses and wholesaling fees paid to the members of the selling group for the Investor Units. The amounts also do not reflect any reduction of the securities load for certain Investors, as described in the section entitled "PLAN OF DISTRIBUTION."

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MANAGEMENT

Manager and Affiliates

Capital Square Glendale BFR Manager, LLC, a recently formed Virginia limited liability company, is the Manager of the Fund. The Manager is wholly owned by Capital Square. Capital Square was founded by Louis J. Rogers. Mr. Rogers has substantial experience in all aspects of the real estate business, including real estate financing. The Manager will oversee the overall business and affairs of the Fund. The Members will not be involved in the day-to-day affairs of the Fund.

Capital Square Realty Advisors, LLC

Capital Square Realty Advisors, LLC, a Virginia limited liability company ("Capital Square"), the Sponsor of the Fund, is a real estate advisory company specializing in the acquisition, development, management and repositioning of real estate investment assets and funds. Capital Square's audited balance sheet is available upon request. Capital Square is headquartered in Richmond, Virginia.

Background and Prior Real Estate Offerings. Capital Square is a national real estate company founded by Louis Rogers, a 2017 EY Entrepreneur of the Year Finalist in the Mid-Atlantic. Mr. Rogers has over thirty years of real estate experience, including acquisition, financing and development. He is the owner and Co-CEO of Capital Square, an influential tax, securities and real estate attorney, was President of the nation's largest Section 1031 exchange, REIT and real estate fund sponsor, and most recently, consultant and investment banker to many real estate firms and investors. In 2020, 2021 and 2022, he was listed as one of the most powerful and influential leaders on the Virginia 500 Power List by Virginia Business, was awarded Real Estate Forum's Best Bosses 2020 by GlobeSt. and in 2022 was recognized as an Influencer in Multifamily Real Estate by GlobeSt Real Estate Forum. He was honored by the Virginia-West Virginia chapter of the National MS Society as the 2022 recipient of the Frank N. Cowan Silver Hope Award. Also, Mr. Rogers is a frequent speaker and author as well as member and leader in real estate industry trade groups.

Capital Square is a national real estate firm headquartered in Richmond, Virginia specializing in tax-advantaged real estate investments, including Delaware statutory trusts ("DSTs") for 1031 Exchanges, qualified opportunity zone funds, development funds and a real estate investment trust ("REIT"). In recent years, the Sponsor has become an active developer of mixed-use multifamily properties in the southeastern U.S., with ten current projects totaling approximately 2,000 apartment units, with a total development cost in excess of $750 million. Since 2012, Capital Square has completed more than $7.5 billion in transaction volume. Capital Square's related entities provide a range of services, including due diligence, acquisition, loan sourcing, property/asset management and disposition, for a growing number of high-net-worth investors, private equity firms, family offices and institutional investors nationwide. Since 2017, Capital Square has been recognized by Inc. 5000 as one of the fastest growing companies in the nation. In 2017, 2018 and 2020, the Sponsor was also ranked on Richmond BizSense's list of fastest growing companies. Additionally, Capital Square was listed by Virginia Business on their "Best Places to Work in Virginia" report in 2019 and their "Fantastic 50" reports in 2019 and 2020.

The principal members of Capital Square's management team and their roles are:

Louis J. Rogers, Co-Chief Executive Officer and Founder – Mr. Rogers is the founder and Co-Chief Executive Officer of the Sponsor and member of the executive management team. He was Managing Director – Private Programs at a national real estate sponsor and the former CEO of that sponsor's FINRA-licensed broker-dealer. As the former President and Board Member of Triple Net Properties, LLC, Mr. Rogers assisted in the formation of Triple Net in 1998 as outside legal counsel, founding member and President from 2004-2007. Under Mr. Rogers' leadership, Triple Net became the nation's largest Tenant In Common (TIC) sponsor and syndicated in excess of $5 billion of real estate in over 100 offerings, including TIC offerings, Real Estate Investment Trusts (REITs) and real estate funds. Triple Net was reorganized as NNN Realty Advisors and, subsequently, merged with Grubb & Ellis Co. Prior to becoming President of Triple Net in 2004, Mr. Rogers was an influential tax, securities, and real estate attorney. He was a partner with the Hirschler Fleischer law firm in Richmond, Virginia (1987-2004), where he founded and led the firm's Real Estate Securities Practice Group. Mr. Rogers was responsible for billions of dollars of DST, TIC, REIT and fund offerings as an attorney and executive officer. Mr. Rogers earned a B.S. from Northeastern University in 1979 (with highest honors), a B.A. (with honors) in 1981 and M.A. in 1985 in Jurisprudence from Oxford University, and a J.D. in 1984 from University of Virginia School of Law. He is a former Adjunct Professor of Law at the Marshall-Wythe School of Law at the College of William and Mary and Lecturer at the University of Virginia School of Law. In 2017, Mr. Rogers was a finalist for the 2017 EY Entrepreneur of the Year Mid-Atlantic. In 2020, 2021 and 2022, he was listed as one of the most powerful and influential leaders on the Virginia 500 Power List by Virginia Business, was awarded Real Estate Forum's Best Bosses 2020 by GlobeSt. and in 2022 was recognized as an Influencer in Multifamily Real Estate by GlobeSt Real Estate Forum. He was honored by the Virginia-West Virginia chapter of the

National MS Society as the 2022 recipient of the Frank N. Cowan Silver Hope Award.

Whitson Huffman, Co-Chief Executive Officer – Mr. Huffman is responsible for sourcing and acquiring a wide variety of mixed-use multifamily, office and retail properties at Capital Square. Prior to Capital Square, Mr. Huffman was an Associate at JBG Smith (formerly The JBG Companies), a NYSE-listed REIT and Fund Manager with a $4.5 billion market capitalization. While at JBG Smith, he developed 1,300 residential units and over 210,000 square feet of retail with a total capitalized value of over $650 million. He also sought entitlements for over 1,500 residential units and 350,000 square feet of retail, with a projected capitalized value of over $400 million. Prior to joining JBG Smith, he was employed as a consultant in the financial services group at Ernst & Young, working on multifaceted banking and capital markets projects for systemically important financial institutions. He earned a B.S. from Miami University Farmer School of Business, Finance and a Master of Real Estate, Finance from Georgetown University. He is very active in a number of programs, including ULI Young Leaders Program; NAIOP; Chairman, National Capital Chapter Ducks Unlimited; and Juvenile Diabetes Research Foundation, Real Estate Games Committee Member.

Michael S. Waddell, President – Prior to joining the Sponsor, Mr. Waddell was previously employed with Triple Net Properties, LLC and its successor organizations from 2005 to 2015 where in his most recent role as executive vice president and chief operating officer he oversaw asset management and other operational areas including its 20 million square foot commercial property portfolio valued in excess of $3 billion. His prior experience includes serving as president of CCA Properties, LLC, a Virginia-based, privately held commercial real estate investment and operating company; senior vice president and executive management team member at Grubb & Ellis | Harrison & Bates in Richmond, VA; executive director, head of East Coast, Latin America and Canada corporate real estate activities for The Walt Disney Company; vice president of asset management and senior project manager for The Rowe Companies; and asset manager for Wachovia Bank's Real Estate Investment Advisory Group. Mr. Waddell holds B.S., Business Management and MBA degrees from Virginia Tech, Blacksburg, Virginia.

Jeffrey A. Gregor, Chief Legal Officer – Prior to joining the Sponsor, Mr. Gregor served as General Counsel and Executive Vice President for Daymark Realty Advisors (formerly known as Grubb & Ellis Realty Investors and Triple Net Properties), a wholly owned subsidiary of Grubb & Ellis Company, serving more than 5,200 clients and overseeing a nationwide portfolio of commercial property totaling approximately 33 million square feet, including over 8,700 apartment units. In this role, Mr. Gregor was responsible for managing the company's legal department, including all material contracts, corporate compliance, entity maintenance, structured finance and loan modifications/workouts, acquisitions and dispositions of real estate, real estate finance, leasing, joint ventures and strategic acquisitions, risk management, investor relations, litigation and outside counsel management, and employment matters. He was responsible for the structuring, drafting and implementation of all private placement offerings for real estate securities and fund investments. Mr. Gregor left that position upon the sale of Daymark by Grubb & Ellis Company. Prior to Daymark Realty Advisors, Mr. Gregor served as Senior Corporate and Securities Counsel for Grubb & Ellis Company for nearly four years. In this role, Mr. Gregor managed the private real estate securities legal department, which had a portfolio of assets valued in excess of $5.7 billion located throughout 30 states and completed acquisition and disposition volume totaling approximately $10 billion on behalf of program investors. Prior to Grubb & Ellis Company, Mr. Gregor was a senior associate and member of a nationally recognized real estate securities practice group at Hirschler Fleischer, a Richmond, Virginia based law firm, where he had a broad-based business, finance and securities practice representing sponsors, borrowers, sellers and purchasers in various business, real estate and securities transactions ranging from $100,000 to more than $100,000,000. Mr. Gregor is a graduate of The University of Richmond School of Law (J.D., cum laude, 2000) and St. Mary's College of Maryland, a public honors college (B.A., philosophy, 1993).

Jacqueline Rogers, Chief Communications and Operating Officer – Ms. Rogers built her career at several of the most influential companies in the nation, with an emphasis on cutting-edge technology, branding and marketing. She recently served as Chief Communications Officer of the Sponsor, where she oversaw branding, marketing, investor relations, communications, strategy and implementation, and as the head of brand program management at Amazon Music. During her time there, Ms. Rogers spearheaded the organization's largest strategic initiative, the development of a new Amazon Music global brand platform and design refresh that serves as the customer-facing expression of the organization. Previously, she was the director of design operations and program management for Lyft, where she developed strategically aligned programs and processes across the company's product design team. Throughout her career, Ms. Rogers has created impactful advertising and marketing campaigns across an array of brands, including BMW, Hilton Hotels & Resorts, Lincoln Motor Company, Marriott International, Four Seasons Hotels, Soul Cycle and The Ritz-Carlton. She began her career by co-founding the marketing team at Tumblr, where she helped shape the startup brand into a world-renowned social networking brand. Ms. Rogers earned a bachelor's degree in communications studies and English, with an emphasis in journalism, from Christopher Newport University, a master's degree in advertising and brand strategy from The Brandcenter at Virginia Commonwealth University, and an MBA from the University of Virginia's Darden School of Business.

Donna Sperounis, Chief Financial Officer – Ms. Sperounis has decades of experience as a financial executive at various real estate investment and development firms Prior to joining the Sponsor, Ms. Sperounis most recently served as Chief Financial Officer and Chief Operations Officer at Dakota Partners, a real estate developer and builder in Massachusetts. Ms. Sperounis also served as Chief Financial Officer of Alliance Capital from April 2014 to September 2017, Chief Accounting Officer and Chief Operating Officer of Plymouth REIT from February 2009 to April 2014, and Senior Vice President of Operations of Franklin Street Properties Corp. from September 2000 to February 2009. Ms. Sperounis received her bachelor's degree in Business Administration and Accounting from Ashford University.

Adam Stifel, Chief Development Officer – Prior to joining the Sponsor, Mr. Stifel founded Hook Properties, a real estate development firm based in Washington, D.C. Prior to founding Hook Properties, Mr. Stifel was the co-founder and co-owner of CAS Riegler Companies, a full-service real estate development firm specializing in urban in-fill projects in Washington, D.C. Mr. Stifel has personally sponsored and delivered over $400 million in real estate value over the past decade, primarily in the form of multi-family development. As the owner of CAS Riegler Cos., and Hook Properties, Mr. Stifel managed the acquisition, financing, entitlements and all aspects of development management for an array of multi-family projects with a wide variety of complexities, including (i) The Colonel, located at 1250 9th street NW, Washington DC, a fully stabilized mixed-use development requiring a $42 million capitalization, which involved a complicated design of both ground up construction and historic restoration and included a 20% increase to by-right density and full historic review, (ii) Holm, located at 1101 9th St, NW, Washington, DC, a fully stabilized mixed-use development requiring a $26 million capitalization, which was a ground-up urban in-fill project in the Logan Circle neighborhood and included entitlements garnering a reduction in parking requirements and an increase in density and height over by-right zoning, (iii) The Mill, located at 515 N. Washington St, Alexandria, Virginia, a fully stabilized multifamily development requiring a $25 million capitalization, which involved a federal and state historic tax credit syndication and included a ground-up, for-sale component and the repurposing of a nearly 200 year old mill on a federally protected boulevard, and (iv) South Cathedral Mansion, located at 3000 Connecticut Ave, NW Washington, D.C., a fully stabilized multifamily development requiring a $70 million capitalization, which value-add project included an extremely complicated TOPA process, unraveling rent-control, and a federally protected historic property. Mr. Stifel has also delivered a multitude of boutique and mid-sized condominium and apartment buildings in the Washington, D.C. region and has a history of successfully navigating urban-in fill projects which regularly include historic complexity, contentious neighborhoods, entitlement hurdles, and complicated construction types. Mr. Stifel also co-founded Snead Construction and the Property Portfolio, providing property management services. Having started his career as a commercial real estate broker, Mr. Stifel has been in the Washington real estate industry since 2003, and started his first company, CAS Riegler, in 2009. He earned a Bachelor of Science in History from the University of Denver in 2003.

James Brunger, Chief Sales Officer – Prior to joining the Sponsor, he was Senior Vice President at LaSalle Investments, a wholly owned subsidiary of Jones Lang LaSalle (JLL), managing distribution of REITs and Real Estate Products throughout the eastern United States. In this capacity, Mr. Brunger worked with leading FINRA-licensed broker-dealers and Registered Investment Advisers. Investments in the flagship REIT, JLL Income Property Trust, grew from seed investment to $1.8 billion during his tenure. Mr. Brunger served as the National Sales Manager for Sterling Foundation Management managing a team of professionals assisting family offices and ultra-high net worth individuals in formations and management of Private Family Foundations, Donor Advised Funds, and Charitable Trusts. He was a Regional Vice President at New York Life/MainStay Investments responsible for wire house broker dealer distribution, where he facilitated over $300 million of annual sales of investment and insurance related products. Mr. Brunger also served as Regional Vice President for Fidelity Charitable Services (a Fidelity Investments Company) working with attorneys, accountants, and families structuring donations of private business interests, real estate, private stock, and public stock into the Fidelity Charitable Gift Fund, a national donor advised fund program that grew from $700 million to over $2.5 billion in annual gifts. Mr. Brunger holds the Chartered Advisor in Philanthropy (CAP) designation from The American College and FINRA licenses Series 6, 7, 63, and 66. He received B.A. degrees in English and Political Science from the University of Vermont.

Dave Platter, Managing Director, Co-Head of Private Equity – Mr. Platter is a managing director and co-head of private equity at Capital Square. Prior to joining the company, Mr. Platter served as executive director, private equity for The Amherst Group. Previously, Mr. Platter was the co-founder of Southern Creek Capital, a boutique investment manager in the single-family rental and multifamily spaces. He previously worked at the JBG Companies (now JBG SMITH Properties; NYSE: JBGS), where he was responsible for the development of more than $500 million of multifamily and mixed-use properties. His career began in the asset management division of JPMorgan Chase & Co. Mr. Platter received a bachelor's degree from The University of Virginia and a Master of Business Administration from Duke University's Fuqua School of Business.

Jon Trott, Managing Director, Co-Head of Private Equity. Mr. Trott is a managing director and co-head of private

equity at Capital Square. Prior to joining the company, Mr. Trott helped lead the private equity team of The Amherst Group's build-for-rent division, responsible for capital raising, acquisition sourcing and overall division management. Previously, Mr. Trott was an investment professional with Spear Street Capital, a San Francisco-based real estate private equity firm. He began his career with JPMorgan Chase & Co., one of the globe's leading financial services firms, where he reported to the chief executive officer of asset management and was involved in the execution of key mergers and acquisitions transactions, as well as strategic initiatives. He earned a bachelor's degree from Tufts University and a Master of Business Administration from Harvard Business School.

Mark Mercado, Executive Vice President, Investment Programs & Operations. Mr. Mercado serves as Executive Vice President, Investment Programs and Operations at Capital Square. His specialties include product development, closing, investor relations, acquisitions, key accounts, operations, and due diligence. Mr. Mercado came to Capital Square after his time as vice president of private offerings at SmartStop Asset Management, where he headed operations and assisted with the launch of private REIT and DST offerings. Earlier in his career, Mr. Mercado acted as product manager of private offerings with a national real estate sponsor and as a tenant-in-common closing manager with Grubb & Ellis and its predecessor, Triple Net Properties. In the past 20 years, Mr. Mercado has closed more than $3.5 billion in investor equity.

Colleen Nichols, Associate General Counsel – Prior to joining the Sponsor, Ms. Nichols was an associate attorney with the real estate and securities practice groups of several Richmond, Virginia law firms, including Kaplan Voekler Cunningham & Frank, PLC, Moran Reeves & Conn PC and most recently, Peake Law Group, PC. Throughout her time in private practice, Ms. Nichols represented clients in commercial real estate transactions, wherein she negotiated and drafted purchase and sale agreements, leases, loan documents and other documents related to commercial real estate acquisitions, dispositions and development. In this role, Ms. Nichols also drafted private placement memoranda and subscription documentation for private securities offerings under Rules 506(b) and (c) of Regulation D of the Securities Act, with a particular emphasis on real estate-related securities and tax-advantaged transactions, including Delaware statutory trusts, real estate funds and offerings of undivided TIC interests in real estate, and oversaw SEC and state-level securities compliance reporting, including compliance with blue sky filing laws and state regulatory commissions. In addition, Ms. Nichols regularly advised clients on general business, corporate and securities matters, including entity formation and dissolution, mergers and acquisitions and ongoing corporate governance. Ms. Nichols is a graduate of William & Mary Law School (J.D., cum laude, 2013) and the University of Virginia (B.A. with distinction in English and American Studies, 2010).

Alyssa Haun, Associate General Counsel – Ms. Haun has over 20 years of experience as a commercial real estate lawyer. She regularly provided counsel to investors, developers, non-traded REITs, and other clients on the acquisition, development, financing, leasing, and disposition of various types of commercial real estate. She also represented lenders in the documentation and negotiation of real estate loans and has advised clients on loan restructuring and foreclosure issues. Prior to joining Capital Square, Ms. Haun was a partner in the real estate and finance practice group of Moran Reeves & Conn, a Richmond, Virginia-based law firm. Previously, she was an attorney in the real estate practice groups of several Virginia law firms, including Kaplan Voekler Cunningham & Frank and McGuireWoods. Ms. Haun earned a Juris Doctorate degree from the George Washington University Law School, where she graduated with honors, and a bachelor's degree with honors from the College of William and Mary.

Margo Steahly, Executive Vice President, Due Diligence — Ms. Steahly is the Executive Vice President, Due Diligence, for Capital Square, where she interacts with due diligence officers, registered representatives and registered investment advisors in the sale of DST programs. With more than 20 years of experience in the financial services industry, Ms. Steahly turned her focus to private placements in 2003. Her experience as a financial advisor made her well-suited to sell TICs and DSTs in the securities arena. While serving as Director of Tenant-In-Common sales at ORIX (NYSE:IX) at their U.S. headquarters in Dallas, Texas, she helped develop a scalable business platform which incorporated a web-based due-diligence information-distribution system, a turn-key application and closing process for investors and a server-secured contact management database. Ms. Steahly holds FINRA Series 7 and Series 66 licenses and is a graduate of DePaul University in Chicago, where she earned a Bachelor of Arts in Business Administration.

Shari Sears, Executive Vice President, Accounting – Ms. Sears assists with overseeing the Sponsor's financing and accounting functions. Ms. Sears has over 25 years of accounting and business experience, with 15 years of experience at two large publicly traded real estate investment trusts. Ms. Sears was the Senior Regional Controller at Brandywine Realty Trust, where she directed accounting for the Richmond, VA, Mid-Atlantic, and Austin, TX regions with over 13 million square feet of owned, joint venture, and third-party office and industrial properties. Prior to joining Brandywine, she worked for Cornerstone Realty Income Trust as the Controller of Property Accounting and Assistant Corporate Controller managing the accounting for 90 apartment communities and the corporate office. Ms. Sears graduated magna cum laude from Virginia Tech with a bachelor's degree in accounting.

Natalie Mason, Executive Vice President, Development – Ms. Mason brought 13 years of real estate experience to her role at the Sponsor, with a majority of those years spent overseeing development projects in San Francisco. Prior to joining the firm, she was senior director at Tishman Speyer, where she oversaw the financing, construction, delivery and sale of more than 1,200 residential units. In this role, Ms. Mason led the internal project team, implemented a residential sales and marketing strategy, and was responsible for overall financial performance, coordination with design and construction professionals and the hiring of critical vendors. While at Tishman Speyer, Ms. Mason's many accomplishments included MIRA, a 392-unit condominium development in downtown San Francisco. Ms. Mason helped shepherd the project through the COVID-19 pandemic, delivering the project in June 2020. Ms. Mason also led the development process for LUMINA, a 647-unit condominium project in downtown San Francisco. LUMINA delivered in four phases beginning in 2015, and set a new watermark at the time for price per square foot in San Francisco. Prior to her tenure at Tishman Speyer, Ms. Mason spent time as project manager for the Office of the Deputy Mayor for Planning and Economic Development for the Government of the District of Columbia. Ms. Mason graduated from Princeton University with a bachelor's degree, with honors, in Slavic Languages and Literatures with a certificate in Russian Studies. She earned an MBA from The Wharton School with a focus on real estate as well as a Master of International Studies degree with a focus on Russian from the Lauder Institute of Management & International Studies at the University of Pennsylvania.

Chris Hirth, Senior Vice President, Asset Management – Mr. Hirth focuses on asset management for the Sponsor, where he oversees a portfolio of office, retail and multifamily properties. He has eight years of experience in the management of both multifamily and commercial real estate. Mr. Hirth joined the Sponsor from CBRE | Richmond, where he managed a portfolio of over 1 million square feet of space, consisting of 25 office and flex properties in the Richmond area. Prior to his time at CBRE | Richmond, Mr. Hirth managed several multi-family properties in Richmond and Virginia Beach for PRG Real Estate. Mr. Hirth holds a bachelor's degree in business management from Virginia Tech in Blacksburg, Virginia.

Jerad Nielsen, Vice President, Asset Management – In his position as Vice President, Asset Management, with the Sponsor, Mr. Nielsen is primarily responsible for net-leased medical, office, industrial and retail properties across the nation. Prior to joining Capital Square, Mr. Nielsen was a senior portfolio manager and team leader at Cushman & Wakefield | Thalhimer for eight years, where he worked with institutional and private real estate companies. During his tenure, Mr. Nielsen oversaw a team of portfolio managers and managed a diverse portfolio over 5 million square feet. Mr. Nielsen holds a bachelor's degree in business, majoring in real estate and urban land development, from Virginia Commonwealth University in Richmond, Virginia. He is designated as a Certified Commercial Investment Member (CCIM) by the CCIM Institute, as well as a Certified Property Manager (CPM) by the Institute of Real Estate Management.

Seth Harris, Executive Vice President, Investments – Mr. Harris has more than a decade of experience in multi-family acquisitions and financing. Prior to joining Capital Square, he spent 11 years with Landmark Apartment Trust, ultimately as vice president of financial services. During his tenure, Mr. Harris completed approximately $1.3 billion in multi-family refinance and disposition transactions, purchased 56 multi-family properties with an aggregate value of $1.3 billion, and closed $900 million in multi-family financing from agencies, banks, insurance companies, and CMBS lenders. Mr. Harris earned a bachelor's degree in economics and a master's degree in real estate with a concentration in finance and investment from New York University.

Jorge Figueiredo, Senior Vice President, Co-Director of Acquisitions – Mr. Figueiredo is a real estate professional with over a decade of experience. Mr. Figueiredo was most recently a Partner with Cornerstone Realty Advisors, LLC. In his role with Cornerstone, he was responsible for acquisitions, from sourcing targeted real estate to due diligence, financing, and settlement. He was also tasked with aiding in the effort to raise private equity. From January 2015 through the sale of Landmark Apartment Trust to Starwood Capital Group and Milestone Management in January 2016, Mr. Figueiredo was the Vice President of Management Services for Landmark Apartment Trust. In this role, Mr. Figueiredo was responsible for risk management, ancillary income, national vendor partnerships, and construction. Mr. Figueiredo worked closely with the operations team to analyze and track current programs as well as implement new strategic initiatives in order to minimize risk and maximize value. Mr. Figueiredo joined Landmark in 2007 and prior to his current role he has held titles including Acquisition Associate, Asset Manager, and Director of Ancillary Income. In addition to his experience in management of Landmark's 33,000-unit apartment portfolio, Mr. Figueiredo has gained extensive experience in acquisitions and dispositions by participating in over $1 billion in multi-family real estate transactions. Prior to joining Landmark, Mr. Figueiredo was a Realtor involved in single-family real estate transactions. Mr. Figueiredo earned his B.S. degree from James Madison University in 2005.

Mark Luzzi, Senior Vice President, Co-Director of Acquisitions - Mr. Luzzi serves as Senior Vice President, Co-Director of Acquisitions at Capital Square and is focused on sourcing, underwriting and financing new investment opportunities for the Sponsor. Mr. Luzzi previously held positions at Thelius Capital Partners and the JBG Companies (now JBG SMITH

Properties; NYSE: JBGS), where he focused on the acquisition and development of multifamily and mixed-use properties. Mr. Luzzi graduated from Cornell University with a B.S. in Industrial and Labor Relations with minors in both Real Estate and Business.

Jacob Baum, Senior Vice President, Acquisitions and Development – Mr. Baum is responsible for leading all aspects of the development process from acquisition through stabilization for Capital Square. Prior to joining Capital Square, he served as Development Manager at Hook Properties, where he developed multifamily projects in the Mid-Atlantic region. Mr. Baum also worked at CAS Riegler Companies and ComfortSystems USA in construction management, successfully completing a wide range of projects from infill multifamily and mixed-use to institutional laboratory and classroom buildings. Mr. Baum earned a Bachelor of Science in Mechanical Engineering from the University of Virginia and a Master of Professional Studies in Real Estate from Georgetown University.

Ware Smalley, Vice President, Acquisitions – Mr. Smalley focuses on the underwriting, financing and due diligence of new investments for the Sponsor. Mr. Smalley has over five years of commercial real estate experience spanning acquisitions, lending and asset management. Prior to joining Capital Square, he served as an Analyst with American Capital, in Bethesda, Maryland, where he originated bridge loans and managed a portfolio of CMBS B-notes. Prior to joining American Capital, Mr. Smalley launched an Asset Management division for the Calkain Companies, of Reston, Virginia. Mr. Smalley received a Bachelor of Science from the University of Virginia and a Master of Business Administration from UVA, Darden School of Business.

Victoria Coates, Vice President, Acquisitions and Development – Prior to joining Capital Square, Ms. Coates was on the development team at JBG Smith, where she oversaw the development of several multifamily and retail projects in Washington, D.C. and Northern Virginia. Prior to JBG Smith, she worked at Capital One as a financial analyst. Ms. Coates earned a Bachelor of Science in Business Administration from Washington & Lee University. She is an active member of Young Real Estate Professionals of Washington, D.C. and the Arlington Leadership Center for Excellence.

Margarete (Maggie) Scott, Assistant Asset Administrator – Prior to joining Capital Square, Ms. Scott joined Grubb & Ellis (NYSE:GBE) in 2006, where she helped to manage a large real estate portfolio. In 2011, Ms. Scott joined Daymark Realty Advisors in their asset management department to continue management of the Grubb portfolio. In this role she managed core institutional office, industrial, medical and retail assets in a national portfolio, and was involved in acquisitions, asset management and dispositions. Ms. Scott began her career working for the American Consulate in Guadalajara, Mexico. While in Mexico, she opened and managed a successful equestrian equipment retail operation that was acquired by a larger company. She returned to the US in 1996, and was employed by an industrial chemical manufacturing company as Business Administration Representative, where she was the liaison with international sales representatives in over 35 countries, and industrial machinery as Clerical Supervisor and Senior Project Management Assistant. Ms. Scott graduated from the American School Foundation in Guadalajara Mexico.

506(e) Disclosure

As of the date of this Memorandum, neither Capital Square, as the Sponsor of the Fund and the sole owner of the Manager, nor any director, executive officer or other officer of Capital Square that is participating in any offering of securities of a private placement program, are subject to any of the "Bad Actor" disqualifications described in Rule 506(d) and (e) under the Securities Act.

Sunstone Two Tree

Sunstone Two Tree is a vertically integrated operator, developer and fund manager with deep expertise and a successful track record. Since its founding in 2012, Sunstone Two Tree has raised six funds and acquired approximately 5,500 units. Starting in 2020, Sunstone Two Tree began developing medium to high-density single-family home (attached and detached) communities. These projects combine many of the benefits of single-family living (larger units, dedicated parking, private yards and lower tenant turnover) with the operating efficiencies of multifamily communities and cater to millennials who are finally entering the household formation stage and baby boomers who are entering their empty nester years and are looking to simplify their lifestyle and downsize. Currently, Sunstone Two Tree has a 2,000-home pipeline in various stages of development in high-growth markets across the Mountain West and Arizona. Together, Sunstone Two Tree's team has an average tenure of 20 years and has completed over $55 billion of real estate transactions.

The principal members of the Sunstone Two Tree management team are:

John Maddux, Chief Executive Officer. Mr. Maddux serves as the Chief Executive Officer of Sunstone Two Tree. Mr. Maddux previously served as the President and COO of MMPI from 2005 to 2011. From 1998 to 2005, he practiced law at the law firm Nevers, Palazzo, Maddux & Packard. He practiced real estate law with O'Melveny & Myers from 1986 to 1996. Mr. Maddux earned his B.S. degree in business management finance from Brigham Young University and his J.D. from Brigham Young University's J. Reuben Clark Law School, where he graduated Cum Laude.

Scott Maddux, President. Mr. Maddux serves as the President of Sunstone Two Tree. He was previously a senior vice president at Oaktree Capital in Los Angeles focused on real estate debt and equity investment opportunities. Before joining Oaktree, he worked on the real estate acquisitions team at the Blackstone Group in New York City. Before that, he worked as an investment banker at Goldman Sachs where he advised real estate companies on M &A and capital raising transactions. He received an M.B.A. from Harvard Business School and a B.S. in accounting from Brigham Young University.

Tanner Maddux, Chief Investment Officer. Mr. Maddux serves as the Chief Investment Officer and focuses his efforts on acquisitions and development. He was previously on the acquisitions team at Rockpoint Group, a Boston based real estate private equity company with $62 billion in assets under management, and personally worked on approximately $1 billion of multifamily, office, and hotel transactions. Prior to Rockpoint Group, Mr. Maddux was an investment banker in the Goldman Sachs Real Estate, Lodging, and Gaming Group in New York City where he worked on mergers, acquisitions, public and private debt and equity offerings. Mr. Maddux earned his bachelor's degree in finance from Brigham Young University's Marriott School of Management.

Major Decisions

Pursuant to the JV Agreement, Sunstone Two Tree, as the entity that controls the manager of the Joint Venture, will have broad discretion to make day-to-day decisions regarding the Project. However, the Fund and the Manager will have substantial voting rights with respect to the following "Major Decisions" affecting the Joint Venture. For purposes of the following Major Decisions, "Agreement" shall mean the JV Agreement, "Company" shall mean the Joint Venture, "Capital Square" shall mean the Manager, "CS LP Entity" shall mean the Fund, "Member" and correlative terms shall mean the members of the Joint Venture, and "Manager" shall mean Sunstone Two Tree Advisors, LLC, a Delaware limited liability company, in its capacity as manager of the Joint Venture. All other capitalized terms that are used in this Major Decisions subsection and not otherwise defined in this Memorandum shall have the terms given to them in the JV Agreement, and all section references shall refer to sections in the JV Agreement.

(i) *Financings*. Any financing, refinancing or securitization of the Property and the use of any proceeds thereof, including, without limitation, construction, interim and permanent financing, and any other financing or refinancing of the operations of the Company and the execution and delivery of any loan documents, agreements or instruments evidencing, securing or relating to any such financing;

(ii) *Budget*. The approval of any Budget and any amendments or modifications thereto (other than variances that are not considered material under Section 6.3.3 or 6.3.4);

(iii) *Development Variances*. Except as provided for in this Agreement or pursuant to any agreement or action of the Company or its subsidiaries (including Borrower) approved in accordance with this Agreement, any improvement, rehabilitation, alteration, repair, or completion of construction of the Property on terms that vary materially from the amounts, ranges and guidelines set forth in the then-current Development Budget (for purposes of Section 6.3.3, a variance will be deemed material if the variance is not related to a Permitted Change Order and the cost of any such item is (a) not included in the Development Budget or (b) is in excess of the amount or ranges set forth in the Development Budget for such expenditure or line item by more than the lesser of (i) 5% of such amount or the upper range limit or (ii) such amount as requires Borrower approval under the Development Management Agreement, or (c) when added to all prior variances would exceed 5% of the total budgeted amount set forth in the Development Budget, or (d) is payable on terms that materially conflict with the other guidelines in the Development Budget regarding such transactions); however, if the Manager, in its commercially reasonable judgment, deems it necessary, the Manager may incur Expenses in connection with an emergency to prevent injury to persons and material damage to the Property, so long as the Manager has (to the extent practicable considering the emergency in question) used reasonable commercial efforts to notify Capital Square prior to making any such expenditure and the amount of such expenditure does not exceed $25,000 for any single emergency;

(iv) *Operating Variances*. Except as provided for in this Agreement or pursuant to any agreement or action of the Company or its subsidiaries (including Borrower) approved in accordance with this Agreement, the

making of any expenditure or incurring of any obligation by or on behalf of the Company that varies materially from the Budget and Operating Plan or entering into (or amending or modifying) any agreement which was not specifically included in the Budget and Operating Plan (for purposes of Section 6.3.4, such a material variance shall be (A) expenditures or obligations involving an amount that is in excess of the amount set forth in the Budget and Operating Plan for such expenditure or line item by more than 5% or when added to all prior variances would cause the total budgeted amount set forth in the Budget and Operating Plan to be exceeded by more than 5%, (B) in the case of any agreement proposed to be entered into, such agreement is not terminable (without penalty) by the Company on 30 calendar days or less written notice to the other parties; provided, however, that Section 6.3.4 shall not apply to expenditures made or obligations incurred or agreements entered into pursuant to or specifically included in the Budget and Operating Plan); however, if the Manager, in its commercially reasonable judgment, deems it necessary, the Manager may incur Expenses in connection with an emergency to prevent injury to persons and material damage to the Property, so long as the Manager has (to the extent practicable considering the emergency in question) used reasonable commercial efforts to notify Capital Square prior to making any such expenditure and e amount of such expenditure does not exceed $25,000 for any single emergency;

(v) *Distributions*. The determination of the amount and the timing (if other than in accordance with Section 5.2) of distributions to Members;

(vi) *Possession or Use of Company Property*. The possession or use of the Property or any other Company asset for other than Company purposes;

(vii) *Reserves*. Any decision to establish reserves, other than in accordance with any Budget and Operating Plan approved by Member Consent;

(viii) *Company Loans*. Requests for Company Loans in accordance with Section 3.3;

(ix) *Capital Calls*. Requests for Capital Contributions after the Initial Cash Contributions, except the Manager may make calls for Additional Capital Contributions (including Closing Capital Contributions), without Member Consent, that do not to exceed the Maximum Contribution Amounts as set forth in Section 3.2;

(x) *Sales*. Except as provided in Section 6.4.5 or elsewhere in this Agreement, any sale, transfer or other disposition of all or any part of the Property or the marketing of the Property in connection with any said sale, lease, transfer or disposition, except personal property which is being sold and replaced in the ordinary course of business;

(xi) *Acquisitions*. The making of any decision and the implementing of any decision to acquire any real property other than the Property, committing to make or increase any non-refundable deposit in connection with the acquisition of any property (or allowing any refundable deposit to become non-refundable), except as otherwise provided in this Agreement, the execution and delivery of any agreement, contract, binding letter of intent or other document or instrument to purchase any real property, the taking of any material action required or permitted to be taken thereunder (including, without limitation, all action necessary to close or proceed to close the purchase of any real property other than the Property), any assignment (in whole or in part) of any such agreement, contract, letter of intent or other document or instrument except as provided under this Agreement, the taking of any action required or permitted to be taken thereunder (including, without limitation, approval of proposed third party costs in connection with any due diligence and closing costs, and approval of structural/engineering and environmental reports, in each case prior to closing) or any decision to terminate any such agreement, contract, letter of intent or other document or instrument (the Members agree that no Member will be paid any acquisition fee with regard to the Company's purchase of any property);

(xii) *Capital Expenditures*. Except as provided for in this Agreement or pursuant to any agreement or action of the Company or its subsidiaries (including Borrower) approved in accordance with this Agreement, any capital expenditures in an amount in excess of $25,000; provided, however, the limitation in this Section 6.3.12 shall not apply to capital expenditures provided for in a properly approved Budget;

(xiii) *Guarantees*. The Company's incurrence of any liabilities or obligations with regard to any debt or loan guaranties, letters of credit, hedge or hedging agreements, completion guaranties or any contractual liability in excess of amounts set forth in the then current Budget, or any similar contingent liabilities;

(xiv) *Contracts*. Other than as permitted under this Agreement or as contemplated by and for amounts within the limits of the applicable approved Budget, including any variances allowed pursuant to Section 6.3.3 or Section 6.3.4, as applicable, (i) the entering into, amendment, modification, extension or termination of any construction contract, development agreement, construction management or development management agreement, or property management or leasing agreement, service contracts, commission agreements or any other material agreement with regard to the Company or the Property, and (ii) the selection of any professional or service provider for the performance of the services set forth in any such agreements;

(xv) *Subsidiary Entities*. The making of any decision and the implementing of any decision to form a subsidiary entity (other than Borrower) and to assign, transfer or convey all or any portion of the Property or any other asset or property or the rights to acquire the Property or any other asset or property to the subsidiary entity (other than the Borrower) and the execution and delivery of any documents, agreements or instruments implementing, evidencing or relating to any such decision or action (including any organizational documents relating to any subsidiary entity);

(xvi) *Professional Services*. Except as provided for in this Agreement or pursuant to any agreement or action of the Company or its subsidiaries (including Borrower) approved in accordance with this Agreement (including the Development Management Agreement and the Related Agreements), engaging accountants, auditors, attorneys, brokers, contractors, engineers, property managers or other similar type of service professionals or personnel on behalf of the Company other than those with whom agreements have been approved in the current Budget;

(xvii) *Non-Standard Leases*. Any lease of any space within the Property or any amendment or modification thereto in accordance with the Budget and Operating Plan, or any termination thereof (other than termination of residential leases in the ordinary course of business); provided the foregoing shall not require approval for the establishment of lease rates pursuant to YieldStar or other revenue management service;

(xviii) *Sales or Placement Agents*. The engagement of any sales or placement agent or broker not expressly permitted hereunder for the disposition, financing or refinancing of the Property;

(xix) *Overhead*. Except as provided in an approved Budget and except as provided for in this Agreement or pursuant to any agreement or action of the Company or its subsidiaries (including Borrower) approved in accordance with this Agreement, determining the amount of overhead and other reimbursements or any salary, compensation or other remuneration payable to any Member, any Manager or any of their Affiliates pursuant to the terms hereof or any separate agreement between the Company and a Member, any Manager or any of their Affiliates;

(xx) *Affiliate Transactions*. Except as provided in an approved Budget, and except as provided for in this Agreement or pursuant to any agreement or action of the Company or its subsidiaries (including Borrower) approved in accordance with this Agreement, the entering into or consummation of any transaction or arrangement between the Company or its subsidiaries and any Manager, any Member or any Affiliate of any of them, or any other transaction involving an actual or potential conflict of interest, and the giving, making or enforcement of any rights, approvals, consents, elections or other decisions with respect to any such transaction, agreement or arrangement;

(xxi) *Legal Proceedings*. The institution of any legal proceedings in the name of the Company, settlement of any legal proceedings against the Company and confession of any judgment against the Company or any property of the Company (other than eviction and termination proceedings in respect of tenant leases and other nonmaterial legal proceedings for the collection of amounts due and owing to the Company from third parties and tenants undertaken in the usual and normal course of business);

(xxii) *Tax Elections*. The making of all tax elections, determinations and other decisions under the Code and any decision to settle or compromise any matter raised by the Internal Revenue Service;

(xxiii) *Condominium Conversion*. The taking of any action to either: (i) convert the Property to, or selling units in the Property as a condominium or other form of common ownership, or (ii) selling all or any portion of the Property to any person that may convert the Property from rental residential use to a condominium, cooperative or other form of common ownership;

(xxiv) *Deed Restrictions*. The adopting or approving deed restrictions affecting the Property; provided that, in connection with any approved or permitted sale of the Property, the Manager may encumber the Property with a restriction that prohibits converting the Property to a condominium project or cooperative community or selling units

in the Property as a condominium or other form of common ownership (including a cooperative) or otherwise for a period of 11 years following final completion of the Project;

(xxv) *Employees*. Causing the Company or any other direct or indirect subsidiary to have any employees;

(xxvi) *Development and Construction Related Contracts*. Except as provided in Section 6.4.7 or as otherwise permitted in this Agreement or any Related Agreement, the entering into, amendment, modification, extension or termination of any construction contract, development agreement, construction management or development management agreement (including, without limitation, the Construction Agreement, any applicable guaranteed maximum price thereunder and the material contract documents comprising a part thereof pursuant to Section 6.3.25), project design contract, architect's agreement or civil engineer agreements;

(xxvii) *Enforcement of Construction Agreement*. Without limiting the authority granted under Section 6.3.21, any enforcement or pursuit of any rights or remedies under the Construction Agreement (other than the normal day-to-day oversight of the General Contractor thereunder in the ordinary course of business);

(xxviii) *Change Orders; Changes to Plans and Specifications; Use of Contingency; Re-Allocations*. Except in conformance with an approved Budget, any (a) change orders or changes to the Plans and Specifications other than Permitted Change Orders, (b) changes to the zoning, entitlements or permits for the development and construction of the Improvements or the Property, (c) application of funds then available in the applicable "contingency" line item set forth in the Development Budget and (d) reallocation of any cost savings from any line item in the Development Budget to another line item in the Development Budget that is not a Permitted Re-Allocation; and

(xxix) *Others*. Any other act for which this Agreement expressly requires Member Consent.

In addition, unanimous consent of the members of the Joint Venture will be required for the following decisions:

(a) *Contravene or Amend Agreement*. Contravene or Amend Agreement. Perform any act in contravention of this Agreement, or any amendment hereto, or to amend or modify this Agreement;

(b) *Impossibility of Business*. Perform any act, other than to sell, lease, exchange, transfer, mortgage or convey all or substantially all of the Company's assets with Member Consent or as provided in Article 12, which would make it impossible to carry on the ordinary business of the Company;

(c) *Guarantee Non-Investment Entity Debts*. Guarantee debts or obligations of any Person;

(d) *Bankruptcy*. The filing of any voluntary petition in bankruptcy on behalf of the Company, the consenting to the filing of any involuntary petition in bankruptcy against the Company, the filing of any petition seeking, or the consenting to, reorganization or relief under any applicable federal or state law relating to bankruptcy or insolvency, the consenting to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or a substantial part of its property, the making of any assignment for the benefit of creditors, the admission in writing of the Company's inability to pay its debts generally as they become due or the taking of any action by the Company in furtherance of any such action;

(e) *Sales to Affiliate of Capital Square*. Any sale, lease, transfer or other disposition of all or any part of the Property, except personal property which is being sold and replaced in the ordinary course of business, to Capital Square, CS LP Entity, or any of their respective Affiliates; provided, however that a Lockout Purchase pursuant to the terms of this Agreement shall not require Unanimous Consent and further provided, that this section is not intended to require Unanimous Consent for transfers of the Capital Square or CS LP Entity interests in the Company to an Affiliate of any said entities, to the extent said transfer is otherwise permitted under this Agreement;

(f) *Environmental Insurance*. For so long as any STT Loan Guarantor shall have any liability under any Environmental Indemnity, any initiation or disposition of any claim by the Company under any environmental insurance maintained by the Company or the Borrower;

(g) *Member Loans to Company*. Except as permitted under this Agreement, the making of any loan or extension of credit by a Member or its Affiliate to the Company except on terms provided for in this Agreement;

(h) *New Members*. Admit any new Member; provided, the foregoing shall not restrict the transfer of a Member's Interest or the admission of a new member to the extent permitted under this Agreement;

(i) *Purchase Agreement*. Any termination of, amendment to, or decision not to proceed with the purchase of the Property in accordance with, the Purchase Agreement. Notwithstanding the foregoing:

a. In the event of a Loan Failure, Capital Square and CS LP Entity (collectively and not individually) may unilaterally elect not to proceed with the acquisition of the Property and to terminate this Agreement by written notice to Manager and STT given no later than the Loan Failure Deadline, in which case: (i) the Initial Cash Contributions made by Capital Square and CS LP Entity, if any, shall be returned (without interest) within five (5) business days after receipt of such notice, (ii) within two (2) business days after giving such notice, Capital Square and CS LP Entity shall execute and deliver an assignment of all their Interests to the Company, and CS LP Entity shall execute and deliver an assignment of all of its membership and other interests in the CS Sunstone Promote Entity to STT or its designee, (iii) Capital Square shall receive, within one hundred eighty (180) days, a refund of any Project Costs (defined in the Development Management Agreement) advanced by Capital Square in accordance with the Cost Sharing Agreement, and (iv) if the Purchase Agreement has been assigned to Borrower, within two (2) business days after request by STT, Capital Square and CS LP Entity shall take all actions necessary to cause Borrower's rights and interests in the Purchase Agreement, and deposits made thereunder, to be assigned to STT or its designee. For purposes hereof, a "Loan Failure" shall be deemed to occur if, either (i) on or prior to the date that is three (3) business days prior to the Extended Closing Date (provided Capital Square has paid the Extension Deposit as required), Western Alliance Bank ("WAB") or other Project Lender refuses to make a Project Loan (a) with an aggregate loan amount equal to or greater than a 55% loan to cost ratio, (b) with a base interest rate equal to or less than 450 basis points above the applicable index rate, (c) with or without *pari passu* funding, and, and (d) without a repayment loan guaranty, unless an STT Loan Guarantor agrees to give such repayment loan guaranty, as more fully set forth in Section 6.8.1 or/and (ii) on or prior to the closing date set forth in the Purchase Agreement the budget attached to this Agreement as Exhibit A is increased by more than two percent (2%) in the aggregate.

b. Section 5(b) of the Cost Sharing Agreement is hereby incorporated in its entirety by reference in the same way as if it was fully set forth herein.

(j) *Sale of Property at Loss*. Entering into any agreement for the sale of, or any sale or transfer of, the Property for an amount less than its Book Basis;

(k) *Distributions in Kind*. Cause the Company to make any distribution of Company property in kind to any Member; or

(l) *Merger or Consolidation*. Cause the Company to undertake a merger or consolidation.

FIDUCIARY DUTIES OF THE MANAGER

The Manager is responsible for the control and management of the Fund and must exercise good faith and integrity in handling the Fund's affairs. The Manager has a fiduciary responsibility for the safekeeping and use of all funds and assets of the Fund, whether or not in its immediate possession and control, and may not use or permit another to use such funds or assets in any manner except for the exclusive benefit of the Fund. The funds of the Fund will not be commingled with the funds of any other person or entity.

The Manager may employ persons or firms to carry out all or any portion of the business of the Fund. In addition, the Manager has the authority, in its sole discretion, to employ contractors, architects, attorneys, accountants, engineers, appraisers or other persons or entities to assist it in the management and operation of the Property and the Fund. Some or all of such persons or entities employed may be affiliates of the Manager. It is not clear under current law the extent, if any, that such parties will have a fiduciary duty to the Fund or the Members. Prospective Investors who have questions concerning the fiduciary duties of the Manager should consult with their own legal counsel.

The Fund Operating Agreement provides that the Manager will not be liable to the Fund or any of the Members for any act or omission performed or omitted in good faith, but will be liable only for gross negligence or willful

misconduct. Members may, accordingly, have a more limited right of action against the Manager than they would have absent such exculpatory provisions in the Fund Operating Agreement.

The Fund Operating Agreement generally provides for indemnification of the Manager (and its members, affiliates, officers, partners, directors, employees, agents and assigns) by the Fund, to the extent of Fund assets, for any claims, liabilities and other losses that they may suffer in dealings with third parties on behalf of the Fund not arising out of gross negligence or willful misconduct. In the case of liability arising from an alleged violation of securities laws, the Manager may obtain indemnification only if: (a) the Manager is successful in defending the action; (b) the indemnification is specifically approved by the court, which shall be advised as to the current position of the Securities and Exchange Commission on indemnification; or (c) in the opinion of counsel for the Fund, the right to indemnification has been settled by controlling precedent. The Securities and Exchange Commission has taken the position in the past that indemnification for liabilities arising under the Securities Act is contrary to public policy and, therefore, unenforceable.

CONFLICTS OF INTEREST

The principals, owners and executive officers of Capital Square, as the sole owner of the Manager and the Sponsor of the Offering, will act as the managers, advisors, and/or controlling parties of other limited liability companies, partnerships and other entities engaged in real estate matters from time to time. Such parties may presently own properties similar to the Property and which may compete with the Property, and may acquire additional properties in the future that also may compete with the Property. Such parties also have existing responsibilities and, in the future, may have additional responsibilities, to provide management and services to a number of other entities. Members will not have any interests whatsoever in any such future entities or properties. The Fund and the Property could be adversely affected by these conflicts of interests.

The principal areas in which conflicts may be anticipated to occur are as follows:

Obligations to Other Entities

Capital Square, the Manager, and their respective owners and employees will have obligations to other entities, currently and in the future. Therefore, they will have conflicts of interest in allocating management time, services and functions between various existing enterprises and future enterprises they or their affiliates may organize, as well as other business ventures in which they may be or become involved. The Manager, Capital Square and their respective owners and executive officers will devote so much time as they, in their sole discretion, deem to be reasonably required for the proper management of the Fund and the Fund's interest in the Joint Venture. Such parties believe they have the capacity to discharge their responsibilities, notwithstanding participation in other present and future investment programs and projects. Under the Fund Operating Agreement, the Manager is obligated to devote as much time as it, in its sole discretion, deems to be reasonably required for the proper management of the Fund and the Fund's investment in the Joint Venture. The Manager believes that it has the capacity to discharge its responsibilities to the Fund notwithstanding participation in future investment programs and projects.

Interests in Other Activities; Competition with the Fund

The Manager, Capital Square, and their affiliates may engage for their own account, or for the account of others, in other business ventures, including title agencies that might provide title services to the Property and/or other properties, whether related to the business of the Fund or otherwise. The Manager, Capital Square, or one of their affiliates may form additional funds with objectives substantially similar to those of the Fund at any time. The Members will have no interest in any future entities or business ventures formed or developed by the Manager, Capital Square, or any of their affiliates. The Manager, Capital Square, or one of their affiliates may also invest in the Fund or manage or invest in an investment entity with an interest in the Fund that is adverse to or conflicts with the interests of the Fund and its Members.

Receipt of Compensation by the Manager

In consideration of the Manager's services in organizing, managing, and overseeing the operations of the Fund, the Fund will pay the Manager an annual Fund asset management fee in an amount equal to 2.0% of the aggregate gross proceeds of the Offering, which shall be payable in arrears on a monthly basis (the "Asset Management Fee"). The Manager anticipates that the Asset Management Fee will be paid from the proceeds raised in this Offering until such time that the Project generates cash flow sufficient to pay the Asset Management Fee. See the Pro Forma attached hereto as Exhibit C.

The Manager will also be entitled to receive from the Fund a one-time fee equal to 2.0% of the total capital contributions made to the Joint Venture by the Fund (the "Equity Placement Fee"). The Fund shall pay the Equity Placement Fee to the Manager or its designee.

Services for which the Joint Venture or the Fund engages the Manager or its affiliates in addition to the foregoing will be compensated at the market rates, as determined in the Manager's good faith discretion. Fees payable to the Manager or its affiliates in excess of the rate set forth in this Memorandum will require the consent of a majority of the Members.

The Manager, on its own behalf and/or on behalf of its affiliates, in its sole discretion, may defer, waive or reallocate to any person, in whole or in part, the payment of any fees, commissions or expenses otherwise payable to the Manager or its affiliates, or any pro rata portion of any such fees, commissions or expenses otherwise attributable to any particular Investor, by the Fund or the Joint Venture.

Receipt of Compensation by the Joint Venture Members

On March 10, 2023, Sunstone Two Tree Development, LLC, a Delaware limited liability company and an affiliate of Sunstone Two Tree ("Sunstone Development"), and the Property Owner entered into that certain Development Management Agreement. The Development Management Agreement provides that, in consideration for its services as the developer of the Project, Sunstone Development shall be paid a fee (the "Development Fee") equal to two and one-half percent (2.5%) of the Project Costs (as said term is defined in that certain Development Management Agreement); provided, however, that in no event shall the Development Fee exceed $2,859,375. The Development Fee shall be paid as follows: (a) twenty-five percent (25%) shall be paid on the commencement of construction, (b) sixty-five percent (65%) shall be paid during the construction period in equal monthly installments, and (c) the final ten percent (10%) shall be paid at Completion (as defined in the Development Management Agreement).

The members of the Joint Venture will also receive certain compensation from the Joint Venture in accordance with the following terms set forth in the JV Agreement:

- The Joint Venture shall reimburse Sunstone Two Tree in connection with construction accounting and related ancillary services provided by Sunstone Two Tree to the Joint Venture, in the amount of $3,000 per month, and in an aggregate amount not to exceed $100,000, for the time period between the Effective Date of the JV Agreement until the Completion Date of the Project.

- The Fund will be due a development oversight fee of 1.5% of total project costs (which for the avoidance of doubt shall include Soft Costs and Hard Costs), which shall be paid by the Joint Venture to the Fund *pari passu* with the payment by Property Owner of the Development Fee (as said term is defined in the Development Management Agreement) to Sunstone Development.

- As consideration for STT's conducting all activities needed in connection with customary asset management of the Project after the Completion Date related to the lease-up of the Property and subsequent customary stabilized operations, the Joint Venture shall pay STT a monthly fee of $8,000 (the "Leasing Oversight Fee") starting on the commencement of Joint Venture pre-leasing activities and continuing every month thereafter until the date the Property is sold and/or conveyed either to an affiliate of the Fund as permitted under the JV Agreement or to a third party purchaser.

As of the Date of this Memorandum, the following are the "Capital Members" of the Joint Venture and their respective Percentage Interests in the Joint Venture:

Capital Member	**Percentage Interest**
The Fund	90%
The Manager	7.50%
STT	2.50%
CS Sunstone Promote Entity	0.00%

Pursuant to the distribution waterfall set forth in the JV Agreement, all Net Cash Flow shall be distributed to the members of the Joint Venture in the following order of priority (capitalized terms used but not otherwise defined in this section shall have the meanings ascribed to them in the JV Agreement):

(i) First, to the Capital Members pro rata in proportion to the relative amounts of their respective Undistributed Preferred Return Account, in such amount and until such time, as each Capital Member's Undistributed Preferred Return Account has been reduced to zero. [The Preferred Return rate is a monthly-compounded cumulative return of ten percent (10%) per annum.]

(ii) Second, to the Capital Members pro rata in proportion to the relative amounts of their respective Undistributed Capital Contribution Account, in such amount and until such time as each Capital Member's Undistributed Capital Contribution Account has been reduced to zero.

(iii) Third, to the Members, pro rata in accordance with (i) any funded Cost Overruns, to reimburse any funded Cost Overruns, until each Member has received a return of one hundred percent (100%) of its respective funded Cost Overruns and (ii) any Company Loan made by any Member, until each Member, as applicable, has received a return of one hundred percent (100%) of its respective funded Company Loan (including principal and any interest accrued thereon in accordance with this Agreement).

(iv) Fourth, (i) eighty percent (80%) to the Capital Members pro rata in proportion to the relative amounts of their respective Undistributed First Hurdle Threshold Account (calculated exclusive of Cost Overruns), and (ii) twenty percent (20%) to the CS Sunstone Promote Entity. [The First Hurdle Threshold is a monthly-compounded cumulative return of fourteen percent (14%) per annum.]

(v) Fifth, (i) seventy percent (70%) to the Capital Members pro rata in proportion to the relative amounts of their respective Undistributed Second Hurdle Threshold Account (calculated exclusive of Cost Overruns), and (ii) thirty percent (30%) to the CS Sunstone Promote Entity. [The Second Hurdle Threshold is a monthly-compounded cumulative return of seventeen percent (17%) per annum.]

(vi) The balance, if any, (i) sixty percent (60%) to the Capital Members pro rata in accordance with their Percentage Interest and (ii) forty percent (40%) to the CS Sunstone Promote Entity.

The foregoing is a summary of the distribution provisions and is qualified in its entirety by the provisions in the JV Agreement. Investors are encouraged to review the JV Agreement and discuss with their independent advisors before investing in the Offering.

Affiliated Services Providers

The Joint Venture and the Fund may use service providers affiliated with Sunstone Two Tree, the Manager, Capital Square, or their affiliates. While the Manager, Capital Square, or their affiliates may earn additional fees and compensation in such events, any affiliated services not otherwise addressed in the Fund Operating Agreement must be provided at the then market rate for such services.

Manager's Representation of Fund in Tax Proceedings

Situations may arise in which the Manager may act as Partnership Representative on behalf of the Fund and its Members in administrative and judicial proceedings involving the IRS or other enforcement authorities. Such proceedings may involve or affect other entities for which the Manager or its affiliates may act as Manager. In such situations, the positions taken by the Manager may have differing effects on the Fund and such other entities. Any decisions made by the Manager with respect to such matters will be made in good faith.

Discretionary Purchases of Investor Units by the Manager or its Affiliates

It is not anticipated that the Manager or its affiliates will make any cash capital contributions to the Fund; however, the Manager and its affiliates (including employees of Capital Square) reserve the right, in their sole discretion, to purchase Investor Units for any reason deemed appropriate by them. Those purchases, if any, shall be made on the same terms and conditions as are available to all Investors except that they may be made net of sales commissions, marketing and due diligence allowance and reimbursement and wholesaling fees. The Manager and its affiliates would acquire any such Investor Units for their own accounts and not with a view to resell or distribute them.

The potential purchase of Investor Units by the Manager or its affiliates, should that occur, would involve certain risks which potential Investors should consider, including, but not limited to, the following:

(1) purchase of Investor Units by the Manager or its affiliates may create a conflict of interest between the Fund and the Manager or any affiliate who purchases such Investor Units because the Manager or affiliates may have an interest in disposing of the Property at an earlier date than would other Investors so as to recover their investments in the Investor Units;

(2) substantial purchases of Investor Units by the Manager or its affiliates may limit their ability to fulfill any financial obligations which such persons or entities may have to or on behalf of the Fund; and

(3) the Manager will receive substantial compensation in connection with the Offering.

However, the Manager and its affiliates will not participate in any vote to remove the Manager.

Reimbursement of Expenses

The Manager will be reimbursed by the Fund for all direct costs incurred by the Manager and its affiliates when performing services on behalf of the Fund, for certain expenses incurred with respect to the acquisition of the Property and development of the Property and for certain indirect costs allocable to the Fund, including in each case the Manager's cost of borrowing with respect to such costs and expenses. The Manager will be reimbursed by the Fund for all costs incurred by the Manager when performing services on behalf of the Fund.

Resolution of Conflicts of Interest

The Manager has not developed, and does not expect to develop, any formal process for resolving conflicts of interest. While the foregoing conflicts could materially and adversely affect the Members, the Manager, in its sole judgment and discretion, will attempt to mitigate such potential adversity by the exercise of business judgment in an attempt to fulfill its fiduciary obligations. There can be no assurance that such an attempt will prevent adverse consequences resulting from the numerous potential conflicts of interest.

DESCRIPTION OF INVESTOR UNITS

The Investor Units are units of membership interest that represent equity interests in the Fund and entitle the holder thereof to participate in certain Fund allocations and distributions. Investors who purchase Investor Units from the Fund shall become Members in the Fund and be entitled to vote on certain Fund matters.

The Fund is Offering for sale up to 49,375 Investor Units (or up to 56,782 in the Manager's sole discretion) at $1,000 per Investor Unit. The minimum investment in the Fund is 100 Investor Units ($100,000), except that the Fund, in its sole discretion, may waive the minimum purchase requirement.

Investor Units may not be freely assigned and are subject to restrictions on transfer by law, by regulation in the state where they are sold, and by the Fund Operating Agreement. It is not anticipated that a public trading market will develop for the Investor Units.

All Members have equal rights, privileges and obligations as described herein and as set forth in the Fund Operating Agreement.

RESTRICTIONS ON TRANSFERABILITY

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

In addition, the Fund Operating Agreement provides that an assignee of Investor Units may not become a Substitute Member without meeting certain conditions and without consent to such substitution by the Manager, which consent the

Manager may withhold in its sole discretion. If an assignee is not admitted to the Fund as a Substitute Member, such assignee will have no right to vote on Fund matters, will have no right to information relating to the Fund's business and will have no right to participate in the management of the business and affairs of the Fund. Such assignee is only entitled to receive the share of profits and distributions, and return of contributions, to which a Member would otherwise be entitled.

The Investor Units offered by this Memorandum have not been registered under the Securities Act nor by the securities regulatory authority of any state. The Investor Units may not be resold unless they are registered under the Securities Act and registered or qualified under applicable state securities laws or unless exemptions from such registration and qualification are available.

Appropriate legends setting forth the restrictions on transfer of the Investor Units will be set out on certificates, if any, representing Investor Units.

SUMMARY OF THE FUND OPERATING AGREEMENT AND INCOME, LOSS AND DISTRIBUTIONS

General

The rights and obligations of the Members will be governed by the Fund Operating Agreement, the form of which is attached to this Memorandum as Exhibit A. Any prospective Investor should review the entire Form Operating Agreement before subscribing. The following is merely a summary of some of the significant provisions of the Form Operating Agreement and is qualified in its entirety by the full text thereof.

The Fund has been formed under the Virginia Limited Liability Company Act. Investors who purchase the Investor Units offered hereby will become Members of the Fund.

The character and general nature of the business to be conducted by the Fund is the acquisition, development, construction and operation of the Property, through the Fund's investment in the Joint Venture, consistent with the objectives described in this Memorandum. The principal place of business of the Fund (and the mailing address of the Fund) will be at 10900 Nuckols Road, Suite 200, Glen Allen (Richmond), VA 23060. The telephone number of the Fund is *(888) 818-1031* and the fax number is *(804) 888-7776*. E-mails to the Fund should be directed to info@capitalsq.com.

Distributions

Distributions shall be made at such times and in such amounts as the Manager may determine in its sole discretion. The Fund may reinvest cash flow from the Joint Venture back into the Joint Venture or use these receipts to pay or establish reserves for expenses or liabilities, in lieu of distributing cash flow or proceeds to the Members, in the Manager's sole discretion.

Subject to the foregoing and the provisions of the Fund Operating Agreement, once the Project has been completed and reaches stabilization, the Fund intends to make quarterly distributions, in arrears within 30 days following the end of each calendar quarter, to the Members from available cash received by the Fund from the Joint Venture.

The Fund's cash available for distribution from any source, if any, will be distributed to the Investors *pro rata* in accordance with their respective Investor Units.

Allocations

The Fund's taxable income and loss will generally be allocated between the Members and the Manager in the same manner as Net Income and Net Loss are distributed to the Members and the Manager.

Reduction of Securities Compensation

The Fund, in the Manager's sole discretion, may agree to bear the Selling Commissions and Expenses allocable to one or more Investors, including without limitation Investors who are affiliates of the Manager. Such determination may be offered on a selective basis, in the Manager's sole discretion. To the extent that the Manager agrees to bear any such amounts, that Investor will be treated as having paid the full purchase price for the Investor Units for purposes of such Investor's capital contribution. Thus, such Investors will be entitled to the same proportional economics that Investors who bear such amounts will receive.

Term and Dissolution

The term of the Fund will continue indefinitely unless terminated by the Members or otherwise terminated by law. The Manager expects to liquidate the Fund shortly after the Joint Venture sells all of its interest in the Project to one or more third parties, but reserves the right to liquidate the Fund earlier or later in its sole discretion.

Distributions upon Liquidation of the Fund

Any cash remaining upon dissolution and termination of the Fund shall be distributed first to the creditors in satisfaction of the liabilities of the Fund, including accrued fees payable to the Manager or its affiliates, second to fund any appropriate reserves, third to the Members in an amount necessary to balance the Members' capital accounts to remove the effect of any reduction in the Securities Compensation for certain Members, fourth, to the Members to the extent of their unrecovered capital, and finally to the Members and the Manager in the manner described in the Distributions above.

Authority of the Manager

The Manager has the absolute and exclusive management and control of all aspects of the Fund's business including the Fund's interest in the Joint Venture. In the course of its management, the Manager may, in its sole discretion, employ such persons, including, under certain circumstances, affiliates of the Manager, as it deems necessary for the efficient operation of the Fund.

Removal of Manager Only For Cause

The Members have the right, subject to any restrictions established in any debt financing documents, to remove the Manager by a Majority Vote (as defined in the Fund Operating Agreement) only "for cause" as defined in Section 9.2 of the Fund Operating Agreement. For this purpose, removal of the Manager "for cause" means removal due to any of the following:

(a) gross negligence or fraud of the Manager,

(b) willful misconduct or willful breach of the Fund Operating Agreement by the Manager,

(c) bankruptcy, insolvency or inability of the Manager to meet its obligations as the same come due, or

(d) a conviction of a felony by Mr. Rogers.

Voting Rights of Members

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

(a) Removal of the Manager only "for cause" as provided in Section 9.2 of the Fund Operating Agreement;

(b) Admission of a Manager or election to continue the business of the Fund after a Manager ceases to be a Manager when there is no remaining Manager or the admission of an additional Manager;

(c) Amendment of the Fund Operating Agreement as provided therein;

(d) Any merger, combination, or roll-up of the Fund; and

(e) Dissolution and winding up of the Fund.

All actions of the Members will be taken by Majority Vote. For this purpose, a Member will be deemed to have consented with respect to his Investor Units if he has not objected in writing within five calendar days after the receipt of the consent request.

Neither the Manager nor any affiliate will participate in any vote to remove the Manager.

The Manager may at any time call a meeting of the Members, or may call for a vote of the Members without a meeting on matters on which the Members are entitled to vote. In addition, a meeting of the Members will be called by the Manager upon receipt of written request therefore by Members holding more than 25% of the outstanding Investor Units.

Liabilities of Members

A Member's capital invested in the Fund is subject to the risks of the Fund's business. Members are not permitted to take part in the management or control of the Fund's business. Assuming that the Fund is operated in accordance with the terms of the Fund Operating Agreement, a Member generally will not be liable for the obligations of the Fund in excess of such Member's total capital contributions and share of undistributed profits. However, a Member may be liable for any distributions made to such Member if, after such distribution, the remaining assets of the Fund are not sufficient to pay its then outstanding liabilities, exclusive of liabilities to Members. The Fund Operating Agreement provides that the Members shall not be personally liable for the expenses, liabilities or obligations of the Fund.

No Representation of Members

Under the Fund Operating Agreement, each of the Members acknowledge and agree that counsel representing the Fund, the Manager and their affiliates does not represent, and shall not be deemed to have represented, or to be representing, any of the Members or any member of the Joint Venture in any respect whatsoever.

Side Letters

The Manager on its own behalf and/or on behalf of the Fund without the approval of any Member or any other person may enter into a side letter or similar agreement with any Member (a "Side Letter"). Such Side Letter has the effect of establishing rights under, or altering or supplementing any of the terms of, the Fund Operating Agreement or the Subscription Agreement with respect to the Member. The Manager has no obligation to share the existence or content of any Side Letters with any Members that are not a party to such Side Letter nor to otherwise extend the terms or conditions of Side Letters to any Member not a party thereto. To the extent the terms of this Memorandum, the Fund Operating Agreement or the Subscription Agreement differ from the terms of any Side Letter, the terms of the Side Letter shall control with respect to the Member that is a party to such Side Letter. See "RISK FACTORS - The Manager may enter into "side letters" or similar arrangements with certain Members."

Books and Records

The Fund intends to provide its Members quarterly updates summarizing Fund activities and progress. The Fund will provide its Members with selected, unaudited quarterly financial information and annual financial statements of the Fund (which annual financial statements may be audited, in the Manager's discretion, at the Fund's sole cost and expense, and provided that the Joint Venture's financial statements have also been audited), in addition to Schedule K-1s and other required tax reporting documents. The Manager, in its sole discretion, may make such elections for federal and state income tax purposes as it deems appropriate. The fiscal year of the Fund will be the calendar year.

Review of Fund Information

The Members shall have the right, upon reasonable written request, to receive from the Fund the following:

(a) True and full information regarding the status of the business and financial condition of the Fund;

(b) Promptly after becoming available, a copy of the Fund's federal, state and local income tax returns for each year;

(c) A current list of the name and last known business, residence or mailing address of each Member and Manager;

(d) A copy of the Fund Operating Agreement and the Articles of Organization and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which the Fund Operating Agreement and any certificate and all amendments thereto have been executed;

(e) True and full information regarding the amount of cash and description and statement of the agreed value of any property or services contributed by each Member and which each Member has agreed to contribute in the future, and the date on which each became a Member; and

(f) Any information required to be made available to a Member pursuant to the Virginia Limited Liability Company Act or any other applicable law.

Amendments

The Fund Operating Agreement generally may be amended by the Manager with a Majority Vote, except that the Manager may amend the Fund Operating Agreement without action by the Members to: (i) modify the allocations provisions of the Fund Operating Agreement to comply with Section 704(b) of the Code; (ii) as required by a lender who has made a loan to the Fund secured by a property or as required by a lender in connection with a refinancing; (iii) add to the representations, duties, services or obligations of the Manager or any affiliates for the benefit of the Members; (iv) cure any ambiguity or correct or supplement any provision of the Fund Operating Agreement that may be incorrect, incomplete or inconsistent with any other provision contained in the Fund Operating Agreement or any material provision of this Memorandum, so long as any such amendment does not materially adversely affect the interests of any Member under the Fund Operating Agreement; (v) delete or add any provision of the Fund Operating Agreement required to be so deleted or added by the staff of the Securities and Exchange Commission or by a state "blue sky" commissioner or similar official, for the benefit of the Members; (vi) amend the Fund Operating Agreement to reflect the addition or substitution of Members or the reduction of the capital accounts upon the return of capital to the Members; (vii) minimize the adverse impact of, or comply with, any "plan assets" regulations; (viii) reconstitute the Fund under the laws of another state if beneficial for tax or other purposes; (ix) execute, acknowledge and deliver any and all instruments to effectuate the foregoing, including the execution, acknowledgment and delivery of any such instrument by the attorney-in-fact for the Manager under a special or limited power of attorney and to take all such actions in connection therewith as the Manager shall deem necessary or appropriate with the signature of the Manager acting alone; (x) change the name and/or principal place of business of the Fund; or (xi) decrease the rights and powers of the Manager (so long as such decrease does not impair the ability of the Manager to manage the Fund and conduct its business affairs). No amendment shall be adopted pursuant to (x) or (xi) above without the consent of the Members unless the adoption thereof: (a) is for the benefit of and not adverse to the interests of the Members; (b) is not inconsistent with Section 7 of the Fund Operating Agreement pertaining to the management and administration of the Fund by the Manager; and (c) does not affect the limited liability of the Members or the status of the Fund as a partnership for federal income tax purposes.

Indemnification of Manager

The Fund Operating Agreement provides that the Manager will not be liable to the Fund or any of the Members for any act or omission performed or omitted in good faith, but will be liable only for gross negligence or willful misconduct. Therefore, the Members will have a more limited right of action against the Manager than they would have absent such exculpatory provisions in the Fund Operating Agreement.

The Fund Operating Agreement generally provides for indemnification of the Manager (and its members, affiliates, officers, partners, directors, employees, agents and assigns) by the Fund, to the extent of Fund assets and to the extent permitted by law, for any claims, liabilities and other losses that they may suffer in dealings with third parties on behalf of the Fund not arising out of gross negligence or willful misconduct. In the case of liability arising from an alleged violation of securities laws, the Manager may obtain indemnification only if: (i) the Manager is successful in defending the action; (ii) the indemnification is specifically approved by the court, which shall be advised as to the current position of the Securities and Exchange Commission on indemnification; or (iii) in the opinion of counsel for the Fund, the right to indemnification has been settled by controlling precedent. The Securities and Exchange Commission has taken the position in the past that indemnification for liabilities arising under the Securities Act is contrary to public policy and, therefore, unenforceable.

Prohibitions

The Fund Operating Agreement provides that the Manager may not receive any rebate, kick-back or give-up in connection with the operation of the Fund, nor may the Manager participate in any reciprocal business arrangements that would circumvent the restrictions set forth in the Fund Operating Agreement prohibiting certain types of dealings between the Manager, its affiliates and the Fund. Neither a Manager nor any salesperson of Investor Units shall directly or indirectly pay or award any finder's fees, commissions or other compensation to any person engaged by a potential Investor for investment advice as an inducement to such advisor to advise the purchase of Investor Units.

FEDERAL INCOME TAX CONSEQUENCES

The following discussion applies only to Investors purchasing Investor Units directly from the Fund. Prospective Investors should not view the following analysis as a substitute for careful tax planning, particularly since the income tax consequences of an investment in limited liability companies such as the Fund are often uncertain and complex. Also, the tax consequences will not be the same for all taxpayers. Prospective Investors should be aware that the following discussion necessarily condenses or eliminates many details that might adversely affect some prospective Investors significantly. Finally, Investors might be faced with substantial legal and accounting costs in resisting a challenge by the Internal Revenue Service (the "IRS") to the tax treatment of an investment in the Fund, even if the IRS's challenge proves unsuccessful.

The discussion of the tax aspects contained in this Memorandum is based on law in effect as of the date of this Memorandum and certain proposed or recently adopted Treasury Regulations. Nonetheless, Investors should be aware that new legislative, administrative or judicial action, particularly with respect to the Tax Cuts and Jobs Act, could significantly change the tax aspects of an investment in the Fund.

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

The Fund has not sought, and will not seek, a ruling from the IRS or any similar state, local or foreign authority with respect to any of the tax issues affecting Members or the Fund, nor has it obtained an opinion of counsel with respect to any U.S. federal, state, local or foreign tax issues including whether the Fund will qualify as a partnership for federal income tax purposes. There is uncertainty concerning certain of the tax aspects discussed herein, and there can be no assurance that some of the deductions claimed or positions taken by the Fund will not be challenged by the IRS. An audit of the Fund's information return may result in an increase in the Fund's gross income, in the disallowance of certain deductions and in an audit of the income tax returns of the Members, which could result in adjustments to non-Fund items of income, deduction or credit. Final disallowance of such deductions could adversely affect the Members. In addition, state tax authorities may audit the Fund's tax returns, which could result in unfavorable adjustments for Members.

This discussion assumes that the Fund will be treated as a partnership for federal and state income tax purposes.

THE INCOME TAX LAWS APPLICABLE TO THE FUND AND TO INVESTORS THEREIN ARE EXTREMELY COMPLEX, AND THE FOLLOWING SUMMARY IS NOT EXHAUSTIVE AND DOES NOT CONSTITUTE TAX ADVICE. A PERSON CONSIDERING AN INVESTMENT IN THE FUND SHOULD CONSULT ITS OWN TAX ADVISOR IN ORDER TO UNDERSTAND FULLY THE FEDERAL, STATE, LOCAL, AND FOREIGN INCOME TAX CONSEQUENCES OF AN INVESTMENT WITH RESPECT TO THE INVESTOR'S PARTICULAR SITUATION.

Tax Consequences Regarding the Fund

Status as Partnership. The Fund intends to be treated as a partnership for federal income tax purposes. However, while current law generally permits an entity to choose its own tax classification, a partnership or limited liability company that has the traits of a publicly traded partnership ("PTP") may be subject to tax as a corporation involuntarily despite its preference or choice to be classified as a partnership.

A PTP is an entity whose interests are traded on an established securities market or are readily transferable on a secondary market or the equivalent thereof. Treasury Regulations provide that the substantial equivalent of a secondary market exists if, based on all of the relevant facts and circumstances, the entity has participated in creating an arrangement under which the partners or members are considered to have an opportunity to readily buy and sell interests in the entity. According to the Manager, the Fund will not engage in a pattern of redeeming Investor Units or take any other action in creating a market for the transfer of Investor Units and does not plan to recognize trades on such a market if one ever developed. Thus, the Fund should not be considered a PTP.

However, a partnership, even though "publicly traded," will not be treated as a corporation for tax purposes if 90% or more of its gross income consists of "qualifying income." Qualifying income includes interest, dividends, real property rents, gain from the disposition of real property and income and gains from certain natural resource activities. The Fund will be engaged in the rental of commercial real estate. The Manager will attempt to operate the Fund so that the Fund's sole source of income will be from rent from real property (and not personal property), interest and gain on the sale of real property. Accordingly, under the tests set forth above, if the Manager is successful, the Fund likely would meet the 90% "qualifying income" test and would not be taxed as a corporation even if it were considered a publicly traded partnership.

If the Fund were taxed as a corporation rather than a partnership, Fund losses would not be passed through to Members and Fund profits would be taxed twice, once when they were earned and, a second time, when they were distributed to the Members. This would reduce an Investor's yield from an investment in the Fund. The remainder of the discussion in this section assumes that the Fund and the Members will be classified as a partnership and its partners for federal income tax purposes.

Taxation of Members. A partnership must file an income tax information return but does not pay income tax. Instead, the partnership's taxable income or loss is allocated among the partners and the partners report their respective shares of such income or loss on their own income tax returns and pay any tax attributable thereto. Such tax must be paid regardless of whether a partner has received any distribution from the partnership during the year. Thus, a Member's share of the Fund's taxable income (and the tax due thereon) may exceed distributions received from the Fund.

Pursuant to the TCJA, a Member who receives income from the Fund in the form of a dividend may be eligible for a twenty percent (20%) deduction from that Member's gross income. For further information concerning whether a prospective Investor will qualify for the 20% deduction or not, prospective Investors should consult their tax advisor.

Limitations on Losses and Credits from Passive Activities. Losses from passive trade or business activities generally may not be used to offset "portfolio income," which consists of interest, dividends and royalties, or "active income" which consists of salary and income from a business in which there is material participation by the owners. Deductions from passive activities may generally be used to offset income from passive activities. Passive activities include (1) trade or business activities in which the taxpayer does not materially participate, which would include holding an interest in the Fund as a Member, and (2) rental activities. It is expected that ownership of Investor Units will be classified as a passive activity of Investors in the offering.

Losses from passive activities that exceed passive activity income are disallowed and can be carried forward and treated as deductions and credits from passive activities in subsequent taxable years. Disallowed losses from an activity, except for certain dispositions to related parties, are allowed in full when the taxpayer disposes of his entire interest in the activity in a taxable transaction. A Member's share of the Fund's income and losses are likely to be considered passive income and loss for Members. If a Member uses borrowed funds to purchase an Investor Unit, the deduction of interest on such borrowed funds may be subject to the passive loss rules to the extent that the Fund's activities are considered passive activities for an Investor.

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

The Treasury Regulations also require that the economic effect of the allocation be "substantial." In general, the economic effect of an allocation is "substantial" if there is a reasonable possibility that the allocation will affect substantially the dollar amounts to be received by the partners from the partnership, independent of tax consequences. The economic effect of an allocation is not substantial, however, if, at the time the allocation becomes part of the operating agreement, (1) the after-tax economic consequences of at least one partner may, in present value terms, be enhanced compared to such consequences if the allocation were not contained in the operating agreement, and (2) there is a strong likelihood that the after-tax economic consequences of no partner will, in present value terms, be substantially diminished compared to such consequences if the allocation were not contained in the operating agreement. In determining the after-tax economic benefit or detriment to a

partner, tax consequences that result from the interaction of the allocation of such partner's tax attributes that are unrelated to the partnership will be taken into account.

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

The Fund Operating Agreement requires that the Members' Capital Account balances be maintained in accordance with the Treasury Regulations, and the allocation provisions are designed so as to cause liquidation proceeds to be distributed to the Members, in proportion to their positive Capital Account balances. The Fund Operating Agreement contains a "minimum gain chargeback" provision, and the nonrecourse deductions are to be allocated under the Fund Operating Agreement in accordance with the Members' respective ownership of the Investor Units. Members are not required to restore a deficit capital account balance. The Fund Operating Agreement, however, contains a "qualified income offset" provision.

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

If any Member's interest in the Fund changes at any time during the Fund's taxable year, each Member's share of each item of Fund income, gain, loss, deduction and credit is to be determined by using any method prescribed by Treasury Regulations that takes into account the varying interests of the Members in the Fund during the taxable year.

The Net Income or Net Loss allocable to any Investor Units transferred during any year will be allocated among the persons who were the holders thereof during such year in proportion to the number of months that each such holder was recognized as the owner of such Investor Units during the year (for the purposes of such allocation, ownership for each month is determined as of the fifteenth day of each month). A holder who purchases an Investor Unit during the first 15 days of a month will receive allocations of Net Income and Net Loss relative to such month. A holder who purchases an Investor Unit on or after the sixteenth day of the month will be treated for income tax allocation purposes as acquiring such holders Investor Units on the first day of the following month. The holder of an Investor Unit will be required to report a share of the Fund's Net Income or Net Loss during the period of such holder's ownership on his personal income tax return even though he receives no distributions with respect to such period of ownership and/or the amount distributed to such holder has no relationship to the amount that he is required to report.

Calculation of Member's Adjusted Basis. Each Member's adjusted basis in their qualifying Investor Units will be zero, plus the Member's allocable share of nonrecourse debt (and recourse debt, if applicable) of the Fund. Each Member's adjusted basis in his non-qualifying Investor Units will be equal to such Member's Capital Contributions of cash (or property if accepted by the Fund) increased by (i) the amount of his share of the Net Income of the Fund, and (ii) his share of nonrecourse indebtedness to which the Fund property is subject, if any. A Member's share of nonrecourse liabilities is the sum of (a) the Member's share of Fund minimum gain; (b) the amount of any taxable gain that would be allocated to the Member under Code Section 704(c) if the Fund sold its assets for the balance of its nonrecourse mortgage debt; and (c) the Member's share of the excess nonrecourse liabilities.

A Member's basis in his Investor Units is reduced, but not below zero, by (x) the amount of his share of Fund Net Loss and expenditures which are neither properly deductible nor properly chargeable to capital account and (y) the amount of cash distributions received by the Member from the Fund. For purposes of calculating a Member's adjusted basis in his Investor Units, any reduction in the amount of Fund nonrecourse indebtedness will be treated as a cash distribution to such Member in accordance with his allocable share of such indebtedness and accordingly will reduce the basis in such Member's Investor Units.

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

A Member bears the economic risk of loss for a Fund liability to the extent that the Member (or a related person) would bear the economic burden of discharging the obligation represented by that liability if the Fund were unable to do so (reduced by any right of reimbursement). In the case of a limited liability company, such as the Fund, absent a separate guaranty or deficit restoration agreement by a Member, the Member generally will not bear the economic risk of loss for any Fund liability because the Member has no obligation to contribute additional capital to the Fund.

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

Any loans used by the Fund are expected to be non-recourse to the Fund. A lender's sole recourse is expected to be the property and collateral securing the loan, however, there is expected to be certain carve-outs to this limitation in which the Manager may be personally liable. As a result, there is some uncertainty as to whether or not the Members are entitled to include in their tax basis their share of such a loan.

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

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

Net Income in Excess of Cash Distributions. A Member's taxable income resulting from his interest in the Fund may exceed the cash distributions attributable thereto. This may occur because funds received by the Fund may be used for nondeductible operating or capital expenses or for principal curtailment or reinvestment. Thus, there could be years in which a Member's tax liability exceeds his share of cash distributions from the Fund. In such a case, a Member will have to use funds from other sources to satisfy its tax liability. The same tax consequences may result from the sale or transfer of a Member's Investor Units, whether voluntary or involuntary, and may produce ordinary income or capital gain or loss.

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

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

A transferor member must notify the Fund of a sale or exchange of his interest in the Fund. Once the Fund is so notified, it must report to the IRS, the transferor and the transferee of the sale or exchange on IRS Form 8308 if the Fund owns directly or indirectly any unrealized receivables or inventory. Penalties will apply to the failure by the transferor partner to report to the Fund, and the failure by the Fund to report to the IRS the transferor and the transferee. The transferor is also required to attach a statement to his or her tax return relating to such sale or exchange.

In determining the amount realized upon the sale or exchange of Investor Units a Member must include, among other things, his share of Fund indebtedness. Therefore, it is possible that the gain realized on a Member's sale of Investor Units

may exceed the cash proceeds of the sale, and, in some cases, the income taxes payable with respect to the gain realized on the sale may exceed such cash proceeds. In such a case, a Member will have to use funds from other sources to satisfy its tax liability.

Treatment of Gifts of Investor Units. Generally, no gain or loss is recognized for federal income tax purposes as a result of a gift of property. However, in the event that a gift (including a charitable contribution) of an Investor Unit is made at a time when a Member's share of the Fund's indebtedness exceeds the adjusted basis of his Investor Units, such Member may recognize gain for income tax purposes upon the transfer. Such gain, if any, will generally be treated as capital gain except for the portion of any such gain attributable to any unrealized receivables (which includes, for these purposes, depreciation recapture attributable to the Fund property) or inventory items of the Fund, which will generally be treated as ordinary income. Gifts of Investor Units may also be subject to a gift tax imposed pursuant to the rules generally applicable to all gifts of property.

Sale or Other Disposition of Fund Property. In general, if the Fund recognizes taxable gain from a disposition of the Property, each Member will be allocated a share of such gain. Generally, any gain or loss on the disposition of a property considered to be held in the Fund's trade or business (rather than for resale) will be considered gain or loss from the sale of a "Section 1231 asset." A Member's share of such gain or loss must be combined with any other Section 1231 gain or loss incurred by him or her in that year. The net Code Section 1231 gain or loss incurred in any year would be taxed as capital gain or ordinary loss, as the case may be. However, Code Section 1231 gains will be recaptured as ordinary income to the extent that the Member has unrecaptured Code Section 1231 losses for any preceding five years. Gain on the sale of tangible personal property will be taxed as ordinary income to the extent of the amount of all depreciation deductions previously claimed with respect to such property. If, however, it is determined that the Fund is a "dealer" in real estate for federal income tax purposes with respect to any property, gain or loss recognized from a sale of such property will be taxed as ordinary income or loss.

In determining the amount realized upon the sale, exchange or other disposition of a property, the Fund must include, among other things, the amount of any liability to which the property is subject. Furthermore, the Fund may accept purchase money obligations as part of the consideration for the sale of the property. The Fund may attempt to structure any such sale so as to qualify as an "installment sale" for federal income tax purposes, but there can be no assurance that any such sale could or would so qualify. Unless such sale qualifies as an "installment sale," the Fund would generally be deemed to have received as proceeds of such sale the fair market value of such purchase money obligations. Thus, the Fund's gain on the disposition of a property may exceed the cash proceeds, if any, of such disposition, and in some cases the income taxes payable by the Members with respect to such gain may exceed the cash proceeds, if any.

Foreclosure. In the event of a foreclosure of a mortgage or deed of trust on a property, the Fund would realize gain, if any, in an amount equal to the excess of the outstanding mortgage over the adjusted tax basis of such property, even though the Fund might realize an economic loss upon such a foreclosure. In addition, the Members could be required to pay income taxes with respect to such gain even though they receive no cash distributions as a result of such foreclosure.

Dissolution. A dissolution of the Fund pursuant to state law prior to expiration of its term should not by itself create tax consequences for the Members unless the dissolution is followed by a liquidation of the Fund. Such dissolution and liquidation might create adverse tax and economic consequences for the Fund. For example, if, as a result of a dissolution, the Fund were required to liquidate the property during a limited period of time, the Fund might sustain substantial economic losses based on the original cost of the property. Nevertheless, the Fund might realize substantial taxable gain on such disposition as a result of the use of borrowing in connection with acquisition of the property. See "Sale or Other Disposition of Fund Property" under this heading.

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

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

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

Deductibility of Interest. Interest will accrue and be payable on any loan used to acquire, and secured by, the Property. The deduction of such interest is limited by various rules in the Code, including the rules limiting the deductibility of passive losses, discussed above. See "Limitations on Losses and Credits from Passive Activities" under this heading.

Pre-opening Expenses. The IRS takes the position that, with the exception of costs relating to deductions under Code Sections 163 (interest), 164 (taxes), and 165 (losses), all costs incurred by the Fund before its facilities are finished and operating should be capitalized under Code Section 263. Thus, expenses otherwise deductible by the Fund (for example, some reimbursements of costs and administrative expenses of the Manager) may be attributable to a pre-opening period and must be capitalized.

Code Section 195 provides taxpayers with an election to deduct on a limited basis up to $5,000 of start-up expenditures in the tax year in which the new business begins. However, this $5,000 amount is reduced (but not below zero) by the amount by which the cumulative cost of such expenditures exceeds $50,000. The remainder of the start-up expenditures can be amortized over a 15-year period. A start-up expenditure eligible for such amortization must be paid or incurred in connection with investigating the creation or acquisition of an active trade or business or paid or incurred in connection with creating an active trade or business. Such amounts must also be of a type which, if paid or incurred in connection with the expansion to an existing trade or business in the same field, would be allowable as a current deduction in the year paid or incurred. In the case of the Fund, the eligibility for the new election to amortize is made at the Fund level.

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

Members may be bound by actions taken by the Manager at the Fund level during the course of an audit.

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

The Manager will treat the expenses of the Offering as nonamortizable syndication costs, and these costs will be capitalized. These costs consist of securities brokerage commissions, legal and accounting fees, printing, advertising and other costs and expenses directly related to the Offering.

The Equity Placement Fee, the Asset Management Fee, and any other similar fees paid by the Fund to the Manager or its affiliates may be deductible as ordinary and necessary business expenses to the extent that such fees represent ordinary and necessary expenses and do not exceed the reasonable value of the services for which they are paid. Because the determination of whether these fees qualify as ordinary and necessary business expenses is inherently factual, there is no assurance that this determination may not be challenged by the IRS or that this determination would be upheld if challenged by the IRS. However, in the event these fees are not currently deductible, they should be capital expenditures related to the Property.

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

Any loan fees, disposition fees, or real estate brokerage commissions (whether or not paid to affiliates of the Manager) should be treated as capitalized expenditures and added to the basis of the property or, if a loan fee, amortized as an expense over the term of the loan. The amount of such fees cannot be estimated at this time.

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

Organization and Syndication Expenses

Expenses paid or incurred in connection with the organization and syndication of a partnership must generally be capitalized. A limited amount of the expenses of organizing a partnership may be deducted on a current basis (up to $5,000), with the remainder amortized over a period of 180 months. However, syndication expenses may not be deducted currently nor amortized. The determination as to whether expenses are organization or syndication expenses is a factual determination which will initially be made by the Fund. The IRS could challenge the Fund's allocations between organization and syndication expenses. Consequently, expenses that are treated as subject to amortization could be recharacterized as nondeductible syndication expenses.

Depreciation and Cost Recovery

Current federal income tax law permits the Fund, as an owner of improved real property, to take depreciation deductions based on the entire cost of the depreciable improvements, even though such improvements are financed in part with borrowed funds. If, however, the purchase price of a property and the nonrecourse liabilities to which the property is subject are in excess of the fair market value of the property, the Fund will not be entitled to take depreciation deductions to the extent that deductions are derived from such excess. The Property will generally be depreciated on a straight-line method over 40 years, using the mid-month convention. Under the mid-month convention, property is treated as placed in service during the mid-point of the month.

Depreciation deductions can only be claimed for that portion of real property that is depreciable. Since land is not depreciable, an allocation must be made between the value of improvements on real estate and the underlying land. The allocation of purchase price between depreciable and nondepreciable items is a question of fact, and if the amount allocated by the Fund to depreciable items is decreased and the amount allocated to nondepreciable items such as land is increased, Fund losses for federal income tax purposes will be decreased.

In accordance with the TCJA, the Code Section 179 expensing election is increased to the maximum amount of $1,000,000, but the limit is reduced dollar-for-dollar to the extent the total cost of Code Section 179 property placed in service during the tax year exceeds $2,500,000. The maximum expensing election will be adjusted annually for inflation, and the expensing election will be effective for property place in service in tax years beginning after 2017.

The TCJA permits a first year depreciation deduction for "qualified depreciable personal property" of one-hundred percent (100%) for property placed in service after September 27, 2017 and before 2023. After 2022, the bonus depreciation percentage is phased down to eighty percent (80%) for property placed in service in 2023, sixty percent (60%) for property placed in service in 2024, forty percent (40%) for property placed in service in 2025, and twenty percent for property placed in service in 2026. This immediate expensing applies not only to new qualified depreciable personal property but also to pre-owned property purchased by a taxpayer and placed into service the year of the purchase.

Tax-Exempt Use Property

Investor Units may be purchased by both tax-exempt entities and entities not exempt from taxation. Code Section 168(h)(6) provides that in certain instances where a partnership has as partners both tax-exempt entities and persons or entities not exempt from taxation, a portion of real property owned by the partnership will be deemed tax-exempt use property and will be required to be depreciated over the greater of 40 years or 125% of any long-term lease. Under Code Section 168(h)(6), unless the Fund's allocation of Fund tax items is determined to be a qualified allocation, any property owned by the Fund will be deemed to be tax-exempt use property to the extent of the tax-exempt entities' proportionate share of the Fund. One of the requirements to have a qualified allocation is that the allocations of Fund items in the Fund must have substantial economic effect under Code Section 704(b)(2). If a portion of the property is required to be depreciated over 40 years, depreciation deductions to all Members will be decreased accordingly.

Investment By Qualified Plans and Individual Retirement Accounts - Unrelated Business Taxable Income

Qualified plans (i.e., any pension, profit sharing or stock bonus plan that is qualified under Code Section 401(a)), tax exempt entities, including individual retirement accounts, although generally exempt from federal income taxation under Code Section 501(a), nevertheless are subject to tax to the extent that their unrelated business taxable income ("UBTI") exceeds $1,000 during any tax year. The UBTI of a tax-exempt entity derived from an equity investment in a partnership is determined by reference to the type(s) of income realized by the partnership.

Generally, income from the rental of real property does not constitute UBTI. However, to the extent that such property is subject to acquisition debt, a portion of such income will be considered UBTI unless an exempt Investor qualifies for an exclusion from such UBTI. Qualified plans (but not individual retirement accounts or other tax-exempt entities) may, under a special rule set forth in Code Section 514(c)(9)(E), avoid the characterization of their distributive share of income from debt-financed real property of a partnership as UBTI unless any of the following factors apply: (1) the price for the acquisition or improvement of the real property is not a fixed amount determined as of the date of the acquisition or the completion of the improvements; (2) the amount of indebtedness or any other amount payable with respect to such indebtedness, or the time for making any payments of any such amount, is dependent, in whole or in part, upon any revenue, income, or profits derived from such real property; (3) the real property is at any time after its acquisition leased to the person selling such property or certain persons related to the seller; (4) the real property is acquired from, or is at any time after the acquisition leased to, certain related persons; (5) any person described in clause (3) or (4) provides financing in connection with the acquisition or improvements; or (6) none of the following is true: (a) all of the partners are "qualified organizations"; (b) each allocation to a partner which is a qualified organization is a "qualified allocation"; or (c) the "fractions rule" in Code Section 514(c)(9)(E) is met. A partnership will still comply with the rules under Section 514(c)(9)(E) if financing is obtained from the seller of the property as long as the terms of the financing are on "commercially reasonable terms." If any of these assumptions are incorrect, the Fund's income from real property will generate UBTI to a qualified plan, as well as to IRAs and other tax-exempt entities.

Debt to Finance Purchase of Investor Units. A tax-exempt entity's share of income from the Fund also will constitute UBTI if such Investor incurs debt to acquire Investor Units.

Interest Income and Dividends. Interest income and dividends and gain from the sale of investment property is not deemed to be UBTI unless the investment property was debt financed.

Summary. UBTI of a tax-exempt entity generally has no effect on its status or on the exemption from tax of its other income. However, for certain types of tax-exempt entities, any UBTI may have extremely adverse consequences. Accordingly, each prospective tax-exempt Investor is urged to consult its own tax advisors concerning the possible results of an investment in the Fund.

In considering an investment in the Fund of a portion of the assets of a qualified plan, a fiduciary should consider the factors discussed in "Investments By Qualified Plans and Individual Retirement Accounts."

General Considerations

At-Risk Rules. A Member that is an individual or closely held corporation will be unable to deduct his distributive share of Fund Net Loss, if any, to the extent such Net Loss exceeds the amount such Member has "at risk." A Member's initial amount at risk will equal the sum of (i) the amount of money invested by the Member in the Fund, (ii) the basis of any property contributed by such Member to the Fund, and (iii) the amount of borrowed funds used in Fund activities to the extent that the Member is personally liable with respect to such indebtedness. A Member can include in the amount at risk such Member's share of qualified nonrecourse financing in the event the Fund holds real property. A Member's amount at risk will be reduced by the amount of any cash distributed to such Member and the amount of Net Loss allocated to such Member and will be increased by the amount of Net Income allocated to such Member. Net Loss not allowed under the at risk provisions may be carried forward to subsequent taxable years and used when the amount at risk increases. It is possible that any loan procured by the Fund would not constitute qualified non-recourse indebtedness, would not be included in the amount at risk, and would limit losses that could be claimed by the Members. Counsel to the Fund cannot render an opinion as to whether the Members will be subject to the at-risk rules because of the possibility that any Fund indebtedness may not constitute qualified non-recourse indebtedness.

Alternative Minimum Tax. Taxpayers may be subject to the alternative minimum tax in addition to the regular income tax. The alternative minimum tax applies to designated items of tax preference. Noncorporate taxpayers are subject to the alternative minimum tax to the extent this tax exceeds their regular tax. The limitations on the deduction of passive

losses also apply for purposes of computing alternative minimum taxable income. For further information concerning tax preferences and the alternative minimum tax, prospective Investors should consult their individual tax advisors.

Medicare Tax. Prospective Investors should note that Section 1411 of the Code, added by the Healthcare and Education Reconciliation Act of 2010, (the "2010 Act"), expanded "FICA" taxes to include a new 3.8% tax on certain investment income. In general, in the case of an individual, this tax will be 3.8% of the lesser of (i) the taxpayer's "net investment income" or (ii) the excess of the taxpayer's adjusted gross income over the applicable threshold amount ($250,000 for taxpayers filing a joint return, $125,000 for married individuals filing separate returns and $200,000 for other taxpayers). Special rules apply with respect to the computation of a trust's liability for the new 3.8% tax. An Investor's distributive share of the Fund's taxable income or gain will be included as investment income in the determination of "net investment income" under Code section 1411(c). An Investor will be subject to the 3.8% tax if such Investor's adjusted gross income is in excess of the Investor's applicable threshold amount. Further, in the case of an Investor's disposition of Investor Units, any taxable gain will be taken into account by the Investor for the purpose of determining "net investment income" under Section 1411(c), as if the Joint Venture had sold the Property for fair market value immediately before such disposition.

Activities Not Engaged in for Profit. Under Code Section 183, certain losses from activities not engaged in for profit are not allowed as deductions from other income. The determination of whether an activity is engaged in for profit is based on all the facts and circumstances, and no one factor is determinative, although the Treasury Regulations indicate that an expectation of profit from the disposition of property will qualify as a profit motive. Code Section 183 contains a presumption that an activity is engaged in for profit if income exceeds deductions in at least three out of five consecutive years. Although it is reasonable for a prospective Member to conclude that he can realize a profit from an investment in the Fund as a result of cash flow and appreciation of the Fund's property, there can be no assurance that the Fund will be found to be engaged in an activity for profit due to the fact that the applicable test is based on the facts and circumstances existing from time to time.

The Fund intends to conduct all operations in a businesslike manner and its primary purpose is to generate a profit from operations and sale of the property. In the event Code Section 183 were applied with respect to the Investor Units of a Member, a substantial portion of the tax benefits associated with this Offering could be affected.

General Limitations on the Deductibility of Interest. In addition to the limitations on the deductibility of interest incurred in connection with passive activities and the "at-risk" rules, the following are additional restrictions on the deduction of interest:

Prepaid Interest. The Fund does not anticipate prepaying any interest, but it is possible that the Fund may pay certain amounts commonly referred to as "points," which may be considered prepayments of interest for federal income tax purposes. Interest prepayments (including "points") must be capitalized and amortized over the life of the loan with respect to which they are paid.

Changes in federal income tax law. The discussion of tax aspects in this Memorandum is based on law presently in effect. Nonetheless, you should be aware that new administrative, legislative or judicial action could significantly change the tax aspects of an investment in the Fund. Congress could make substantial changes in the future that affect the income tax consequences of an investment in the Fund. Numerous changes have recently been made to the U.S. federal income tax laws due to the TCJA. The TCJA, among other changes, includes the reduction of the corporate tax rate, establishing a maximum tax rate on "business income" distributed by pass-through entities, the elimination or modification of certain deductions, repeal of the alternative minimum tax for corporations, and changes to cost recovery provisions. In addition, some existing statutory provisions remain to be interpreted by administrative regulations. We cannot predict whether, when or to what extent new U.S. federal tax laws, regulations, interpretations or rulings regarding the effect of the TCJA will be issued, or the long-term impact of proposed tax reforms. Prospective Investors are urged to consult their tax advisors regarding the effect of the TCJA upon their tax situation prior to investing in the Investor Units.

Furthermore, the President, Congress, the IRS and other regulatory agencies are engaging in a continuing review of all tax and other regulatory matters. Therefore, no assurance can be given that the currently anticipated income tax treatment of an investment in the Fund or the legal status of the Fund will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect, to the detriment of the Fund or the Investors. Such modifications may include significant increases in tax rates and/or the repeal of one or more provisions of the TCJA.

Capitalized Interest. Interest on debt incurred to finance construction of real property is not currently deductible and must be capitalized as part of the cost of the real property.

Interest Incurred to Carry Tax-Exempt Securities. Code Section 265(a)(2) disallows any deductions for interest paid by a taxpayer on indebtedness incurred or continued for the purpose of purchasing or carrying tax-exempt obligations. The IRS announced in Revenue Procedure 72-18, 1972-1 C.B. 740, that the prescribed purpose will be deemed to exist with respect to indebtedness incurred to finance a "portfolio investment." The Revenue Procedure further states that while a Fund's purpose in incurring indebtedness will be attributed to its Manager, a limited liability company interest will be considered as a "portfolio investment." Therefore, in the case of a Member owning tax-exempt obligations, the IRS might take the position that his allocable portion of the interest incurred by the Fund on its borrowings or of any interest incurred by the Member to purchase his Investor Units in the Fund, should be viewed as incurred to enable him to continue to carry tax-exempt obligations, and that such Member may not be allowed to deduct his full allocable share of such interest.

The application of Code Section 265(a)(2) turns upon each individual Member's purpose for acquiring an interest in the Fund. Thus, Code Section 265(a)(2) might be applied to a Member whose purpose for investing in the Fund, rather than in a nonleveraged investment, is to enable such Member to continue to carry tax-exempt obligations or such shares of stock. It should be noted that Code Section 7701(f) directs the IRS to prescribe regulations as may be necessary or appropriate to prevent the avoidance of provisions of the Code which deal with the linking of borrowings to investments through the use of related persons, pass-through entities or other intermediaries. Therefore, the provisions of Code Section 265(a)(2) may be applied to a Member if the Member does not himself own tax-exempt obligations or stock of a regulated investment company which distributes exempt interest dividends but rather such obligations or stock is owned by a person, entity or other intermediary related to the Member.

Accuracy-Related Penalties and Interest

The Code imposes an accuracy-related penalty equal to 20% of the portion of the underpayment to which the penalty applies. The penalty applies to any portion of any understatement that is attributable to: (i) negligence or disregard of rules or regulations; (ii) any substantial understatement of income tax; or (iii) any substantial valuation misstatement. In addition to these provisions, the Code imposes a 20% accuracy-related penalty for (i) listed or (ii) reportable transactions having a significant tax avoidance purpose. This penalty is increased to 30% if the transaction is not properly disclosed on the taxpayer's federal income tax return. Failure to disclose such a transaction can also prevent the applicable statute of limitations from tolling in certain circumstances and can subject the taxpayer to additional disclosure penalties for non-disclosures ranging from $10,000 to $200,000, depending on the facts of the transaction. Similarly, any interest attributable to unpaid taxes associated with a non-disclosed reportable transaction may not be deductible for federal income tax purposes.

For this purpose, negligence is generally any failure to make a reasonable attempt to comply with the provisions of the Code and the term "disregard" includes careless, reckless, or intentional disregard.

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

A substantial valuation misstatement occurs if the value of any property (or its adjusted basis) is 150% or more of the amount determined to be the correct valuation or adjusted basis. The penalty doubles to 40% if the property's valuation is misstated by 200% or more. No penalty will be imposed unless the underpayment attributable to the substantial valuation misstatement exceeds $5,000 ($10,000 in the case of a C corporation).

The term reportable transaction means any transaction with respect to which information is required to be included with a return or statement because, as determined under regulations prescribed under Code Section 6011, such transaction is of a type which the Secretary of the Treasury determines as having a potential for tax avoidance or evasion.

The term listed transaction means a reportable transaction which is the same as, or substantially similar to, a transaction specifically identified by the Secretary as a tax avoidance transaction for purposes of Code Section 6011.

Except with respect to "tax shelters," an accuracy-related penalty will not be imposed on an underpayment attributable to negligence, a substantial understatement of income tax, or a substantial valuation misstatement if it is shown that there was a reasonable cause for the underpayment and the taxpayer acted in good faith. A "tax shelter" includes a partnership if a significant purpose of the partnership is the avoidance or evasion of tax. In addition, an accuracy-related penalty will not be imposed on a reportable transaction or a listed transaction if it is shown that: (i) there is reasonable cause for the position, (ii) the taxpayer acted in good faith with respect to such position, (iii) the relevant facts of the transaction are adequately

disclosed in accordance with the regulations prescribed under Code Section 6011, (iv) there is or was substantial authority for such treatment, and (v) the taxpayer reasonably believed that such treatment was more likely than not proper.

State and Local Taxes

In addition to the federal income tax consequences described above, prospective Investors should consider the state and local tax consequences of an investment in the Fund. A Member's distributive share of the taxable income or loss of the Fund generally will be required to be included in determining his reportable income for state and local tax purposes. Each potential Investor is urged to consult with its own tax advisor with respect to the foregoing.

United States Income Tax Considerations For Foreign Investors

The federal income tax treatment applicable to a nonresident alien or foreign corporation investing in the Fund is highly complex, will vary depending on the particular circumstances of such Investor and the effect of any applicable income tax treaties and can have a significant effect on such an Investor. Accordingly, each foreign Investor should consult his own tax advisor as to the advisability of investing in the Fund. Furthermore, some of the provisions appear likely to change in the near future. The federal income tax treatment will generally depend on whether the Fund is deemed to be engaged in a United States trade or business. This determination must be made annually. The Code does not define what constitutes a United States trade or business; rather, this determination is based upon an examination of the facts and circumstances of the Fund's operations and activities.

INVESTMENT BY QUALIFIED PLANS AND INDIVIDUAL RETIREMENT ACCOUNTS

In considering an investment in the Fund of a portion of the assets of a qualified plan, a fiduciary, taking into account the facts and circumstances of such qualified plan, should consider, among other things: (i) whether the investment is in accordance with the documents and instruments governing such qualified plan, (ii) the definition of plan assets under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (iii) whether the investment satisfies the diversification requirements of Section 404(a)(1)(C) of ERISA, (iv) whether, under Section 404(a)(1)(B) of ERISA, the investment is prudent, considering the nature of an investment in and the compensation structure of the Fund and the fact that there is not expected to be a market created in which the fiduciary can sell or otherwise dispose of the Investor Units, (v) that the Fund has had no history of operations, (vi) whether the Fund or any affiliate is a fiduciary or a party in interest to the qualified plan and (vii) that an investment in the Fund may cause the qualified plan to recognize UBTI. See "FEDERAL INCOME TAX CONSEQUENCES - Investment by Qualified Plans and Individual Retirement Accounts - Unrelated Business Taxable Income." The prudence of a particular investment must be determined by the responsible fiduciary (usually the trustee, plan administrator, or investment manager) with respect to each qualified plan, taking into account all of the facts and circumstances of the investment.

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

Section 4975 of the Code has similar restrictions applicable to transactions between disqualified persons and qualified plans or individual retirement accounts, which could result in the imposition of excise taxes on the Fund, unless and until such a prohibited transaction is corrected. In the case of an individual retirement account ("IRA"), if the Fund or affiliate is a disqualified person with respect to the IRA, the purchase of an Investor Unit by the IRA could instead cause the entire value of the IRA to be taxable to the IRA sponsor.

The Department of Labor ("DOL") has promulgated final regulations ("DOL Regulations"), 29 C.F.R. Section 2510.3-101, that define what constitutes "Plan Assets" in a situation in which a qualified plan invests in a limited liability company, or other similar entity. If assets of the Fund are classified as Plan Assets, the significant penalties discussed below could be imposed under certain circumstances.

Under the DOL Regulations, if a qualified plan invests in an equity interest of an entity that is neither a publicly offered security nor a security issued by an investment company registered under the Investment Company Act of 1940, its assets include both the equity interest and an undivided interest in each of the underlying assets of the entity, unless it is established that the entity is an "operating company" or equity participation in the entity by benefit plan Investors is not "significant."

The Investor Units will not qualify as publicly offered securities and will not be issued by an investment company registered under the Investment Company Act of 1940.

Nonetheless, if one of the exceptions described below is satisfied, the Fund's assets may avoid being classified as Plan Assets. The Fund's assets may be excluded from Plan Assets under the DOL Regulations if the Fund is considered an "operating company." The term "operating company" includes an entity that is a "real estate operating company," as defined in the DOL Regulations. Under the DOL Regulations, an entity is a "real estate operating company" if:

(i) for any day during a 90-day annual valuation period at least 50% of its assets, valued at cost (other than short-term investments pending long-term commitment or distribution to Investors), are invested in real estate which is managed or developed and with respect to which such entity has the right to substantially participate directly in the management or development activities, and

(ii) the entity, in the ordinary course of its business, is engaged directly in real estate management or development activities. Example (8) in the DOL Regulations indicates that an entity may still qualify as a "real estate operating company" when management of the entity's real estate may be done by independent contractors if the entity retains certain control over the independent contractor and frequently consults with and advises the independent contractor.

The Manager believes that the Fund should satisfy the definition of an operating company. However, because this determination involves questions of fact regarding future activities, complete assurance on this issue cannot be provided. Further, it should be noted that it is possible the Fund would not qualify as a real estate operating company in each year of their existence. That is, the fact that the Fund satisfies the real estate operating company rules in one year has no bearing on its ability to satisfy such rules in later years.

If the Fund is classified as a "real estate operating company," an investment by a qualified plan in the Fund should be treated only as an investment in an equity interest in the Fund and not as an investment in an undivided interest in each of the Fund's assets.

If the Fund does not qualify as an "operating company" under DOL Regulations, a qualified plan's investment in the Fund will be treated as an investment in an equity interest in the Fund, and not as an investment in an undivided interest in each of the underlying assets, only if equity participation in the Fund by benefit plan Investors (i.e., qualified plans and individual retirement accounts) is not "significant." Under the DOL Regulations, equity participation in the Fund by benefit plan Investors would be "significant" on any date if, immediately after the most recent acquisition of any equity interest in the Fund, 25% or more of the total value of the Investor Units is held by benefit plan Investors. In determining whether the 25% benefit plan Investors ownership is exceeded, the ownership of any person with discretionary authority with respect to Fund assets is disregarded.

The Fund Operating Agreement provides that less than 25% of the total value of the Investor Units will be acquired by benefit plan Investors. Therefore, assuming that less than 25% of the Investor Units are in fact owned by benefit plans, the Fund's assets should not be treated as Plan Assets. However, it is possible that future sales of Investor Units will result in benefit plan Investors owning 25% or more of the total value of the Investor Units. In that event, the exemption from the DOL Regulations afforded to entities in which benefit plan participation is not "significant" would not be available.

If the Fund is deemed to hold Plan Assets, additional issues relating to the Plan Assets, and "prohibited transaction" concepts of ERISA and the Code arise. Anyone with discretionary authority with respect to the Fund's assets could become a "fiduciary" of the qualified plans within the meaning of ERISA. As a fiduciary, such person would be required to meet the terms of the qualified plan regarding asset investment and would be subject to prudent investment and diversification standards. Any such fiduciary could be a defendant in an ERISA lawsuit brought by the DOL, a qualified plan participant or another fiduciary to require that the Fund's assets and the investment and stewardship thereof meet these and other ERISA standards.

In addition, if the Fund is deemed to hold Plan Assets, investment in the Fund might constitute an improper delegation of fiduciary responsibility to the Manager and expose the fiduciary of a qualified plan Investor to co-fiduciary liability under ERISA for any breach by the Manager of its ERISA fiduciary duties.

Section 406 of ERISA and Code Section 4975(c) also prohibit qualified plans from engaging in certain transactions with specified parties involving Plan Assets. Code Section 4975(c) also prevents IRAs from engaging in such transactions.

One of the transactions prohibited is the furnishing of services between a plan and a "party in interest" or a "disqualified person." Included in the definition of "party in interest" under Section 3(14) of ERISA and the definition of "disqualified person" in Code Section 4975(e)(2) are "persons providing services to the plan." If the Manager or certain entities and individuals related to the Manager have previously provided services to a benefit plan Investor, then the Manager could be characterized as a "party in interest" under ERISA and/or a "disqualified person" under the Code with respect to such benefit plan Investor. If such a relationship exists, it could be argued that the affiliate of the Manager is being compensated directly out of Plan Assets rather than Fund assets for the provision of services, i.e., establishment of the Fund and making it available as an investment to the qualified plan. If this were the case, absent a specific exemption applicable to the transaction, a prohibited transaction could be determined to have occurred between the qualified plan and the Fund.

If such a relationship exists, it could be argued that, if an affiliate of the Manager receives compensation based on performance, the affiliate of the Manager is being compensated directly out of Plan Assets rather than Fund assets for the provision of services, i.e., establishment of the Fund and making it available as an investment to the qualified plan. If this were the case, absent a specific exemption applicable to the transaction, a prohibited transaction could be determined to have occurred between the Fund and the qualified plan.

If the Fund's assets are treated as Plan Assets, a prohibited transaction would also occur if a party with whom the Fund enter into a transaction is a "party in interest" or "disqualified person" with respect to a qualified plan.

Another type of transaction prohibited by ERISA and the Code is one in which fiduciaries of a qualified plan or the person who establishes an individual retirement account engage in self-dealing or in co-investment with the plan or account. Accordingly, affiliates of the Manager are not permitted to purchase Investor Units with assets of any benefit plan Investor if they (i) have investment discretion with respect to such assets or (ii) regularly give individualized investment advice which serves as the primary basis for the investment decisions made with respect to such assets. In addition, no fiduciary of a qualified plan or owner of an individual retirement account should purchase Investor Units both individually and with assets of the benefit plan Investor.

If the Fund's assets are treated as Plan Assets and if it is determined by the DOL that the acquisition of an Investor Unit or another transaction between the Fund and a party in interest by a qualified plan constitutes a prohibited transaction, then any party in interest, which may include a fiduciary or sponsor of a qualified plan, that has engaged in any such prohibited transaction could be required to: (i) restore to the qualified plan any profit realized on the transaction; (ii) make good to the qualified plan any losses suffered by the qualified plan as a result of such investment; (iii) pay an excise tax equal to 15% of the amount involved (i.e., the amount invested in the Fund), for each year during which the investment is in place; and (iv) eliminate the prohibited transaction by reversing the transaction and making good to the Fund any losses resulting from the prohibited transaction. Moreover, if any fiduciary or party in interest is ordered to correct the transaction by either the IRS or the DOL and such transaction is not corrected within a 90-day period, the party in interest involved could also be liable for an additional excise tax in an amount equal to 100% of the amount involved (i.e., the amount invested in the Fund), for each taxable year commencing with the year in which the 90-day period expires and ending with the year in which the prohibited transaction is corrected. Also, the DOL could assert additional civil penalties against a fiduciary or any other person who knowingly participates in any such breach.

With respect to an investing IRA, the tax-exempt status of the account could be lost if the investment constitutes a prohibited transaction under Code Section 408(e)(2) by reason of the Fund engaging in the prohibited transaction with the IRA or the individual who established the IRA or his beneficiary. If the IRA were to lose its tax-exempt status, the entire value of the IRA would be considered to be distributed and taxable to the IRA sponsor.

Finally, if the Fund's assets were determined to be "Plan Assets," fiduciaries of such qualified plans and IRAs might under certain circumstances be subject to liability for actions taken by the Manager or its affiliates. In addition, certain of the transactions described in this Memorandum in which the Fund may engage, including certain transactions with affiliates, might constitute prohibited transactions under the Code and ERISA with respect to such qualified plans and IRAs, even if the acquisition of Investor Units did not constitute a prohibited transaction. Moreover, fiduciaries with responsibilities to qualified plans and/or IRAs subject to ERISA's fiduciary duty rules might be deemed to have improperly delegated their fiduciary responsibilities to the General Partner in violation of ERISA.

REPORTS

The Manager will keep proper and complete records and books of account for the Fund, using the cash method of accounting with accrual adjustments as needed. These books and records will be kept at the Fund's principal place of business

and each Member (or a duly authorized representative) will at all times, during reasonable business hours, have the right to inspect, examine and copy them.

The Fund intends to provide its Members quarterly updates summarizing Fund activities and progress.

In addition, subject to the terms of the Fund Operating Agreement, the Fund will provide its Members with selected, unaudited quarterly financial information and annual financial statements of the Fund (which annual financial statements may be audited, in the Manager's discretion, at the Fund's sole cost and expense, and provided that the Joint Venture's financial statements have also been audited), in addition to Schedule K-1s and other required tax reporting documents.

ACCOUNTING MATTERS

Method of Accounting

The Fund will maintain its books and records and report its income tax results in accordance with generally accepted accounting principles ("GAAP") and shall report its operations for tax purposes on the accrual method.

Distributions

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

ADDITIONAL INFORMATION

The Manager will answer inquiries from potential subscribers concerning the Fund, its investment objective and strategies, and other matters relating to the offer and sale of the Investor Units. Also, the Manager will afford potential Investors the opportunity to obtain any additional information to the extent the Manager possesses such information or can acquire such information without unreasonable effort or expense that is necessary to verify the information in this Memorandum and supplements to follow describing the Fund and the Property.

Potential Investors are entitled to review copies of the Fund's, the Manager's and the Joint Venture's organizational documents.

EXHIBIT A

FORM OF FUND OPERATING AGREEMENT

OPERATING AGREEMENT
OF
CAPITAL SQUARE GLENDALE BFR, LLC

THE SECURITIES REFERRED TO HEREIN AND EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR BY THE SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS ANY COMMISSION OR AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THEIR OFFERING OR THE ACCURACY OR ADEQUACY OF ANY DISCLOSURE MADE IN CONNECTION THEREWITH. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE SECURITIES REFERRED TO HEREIN AND EVIDENCED HEREBY MAY NOT BE RESOLD WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS OR EXEMPTION THEREFROM.

OPERATING AGREEMENT
OF
CAPITAL SQUARE GLENDALE BFR, LLC

This Operating Agreement (this "Agreement") is made effective as of February 27, 2023, by and among Capital Square Glendale BFR, LLC, a Virginia limited liability company (the "Fund"), Capital Square Glendale BFR Manager, LLC, a Virginia limited liability company (the "Manager"), as the Manager, and Capital Square Realty Advisors, LLC, a Virginia limited liability company (together with the Manager, the "Initial Members"), and the Persons who have executed (or on whose behalf the Manager has executed) this Agreement below as Members of the Fund.

WHEREAS, the Fund was formed by the filing of the Articles of Organization of the Fund on February 27, 2023; and

WHEREAS, the Members, the Fund and the Manager wish to enter into this Agreement in order to set forth the terms and conditions under which the Fund's affairs and business will be governed and their respective rights and obligations with respect to the Fund as hereinafter set forth;

NOW, THEREFORE, for and in consideration of the foregoing premises, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby covenant and agree as follows:

1. Organization.

1.1 Formation. The Articles of Organization have been filed with the State Corporation Commission of the Commonwealth of Virginia in accordance with and pursuant to the Act.

1.2 Name and Place of Business. The name of the Fund shall be Capital Square Glendale BFR, LLC, and its principal place of business shall be 10900 Nuckols Rd., Suite 200, Glen Allen, VA 23060. The Manager may change such name, place of business or establish additional places of business for the Fund as the Manager, in its sole and absolute discretion, may determine to be necessary or desirable, subject to Section 16.3.

1.3 Business and Purpose of the Fund.

1.3.1 In General. The purposes of the Fund are to, directly or indirectly, (a) through one or more Project Entities, to acquire, hold for investment, manage, own, lease, operate, maintain, finance, refinance, mortgage, encumber, improve, develop, rent, dispose of and otherwise deal with improved and unimproved real property (including direct and indirect interests therein), consisting of the Investment, and (b) to engage in other activities related or incidental thereto and any lawful business not prohibited by the Act.

1.3.2 [*Reserved.*]

1.3.3 Specific Powers. In furtherance of the foregoing, but not as a limitation thereon, the Fund is specifically authorized, on behalf of itself or any Project Entity:

(a) to purchase, develop, rehabilitate, improve, operate, hold, trade, sell, exchange and liquidate or otherwise dispose of the Investment. The Fund is further authorized, pending the Distribution or reinvestment of any proceeds of the Investment to Members, to make Temporary Investments.

(b) to become a shareholder of, or member, partner, joint venturer or co-investor in, any Project Entity which engages in the activities described in Section 1.3.3(a).

(c) to enter into forward interest rate lock agreements for itself or on behalf of the Manager and its Affiliates.

(d) to enter into, make and perform, all contracts and other undertakings, and to engage in all activities and transactions, as the Manager, in its sole discretion, may deem necessary or advisable to the carrying out of the foregoing objectives and purposes to increase the value of the Fund's assets.

1.4 Term. This Agreement shall remain in full force and effect until the Fund is dissolved and liquidated in accordance with Section 13 of this Agreement.

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

1.6 Registered Office and Registered Agent. The Fund's initial registered office and initial registered agent shall be as provided in the Articles of Organization. The registered office and registered agent may be changed from time to time by the Manager, it its sole and absolute discretion, as provided by the Act.

1.7 Outside Activities.

1.7.1 Acknowledgment. Each Member hereby acknowledges and agrees that except as otherwise specifically provided in this Agreement, there shall be no restrictions on the investment or other activities of the Manager, the Members or their respective Affiliates.

1.7.2 Non-Participation. The relationship hereby established among the Fund, the Members and the Manager shall not entitle the Fund or any Member to participate in or to receive the benefits of any other activity, business or ventures of any other Member, the Manager or any of their respective Affiliates.

1.7.3 Certain Transactions. Notwithstanding any other duty existing at law or in equity, any Manager, Member, or any Affiliate, or any shareholder, officer, director, employee, partner, member, manager or any Person owning an interest therein, may engage in or possess an interest in any other business or venture of any nature or description, whether or not competitive with the Fund, including, but not limited to, the acquisition, syndication, ownership, financing, leasing, operation, maintenance, management, brokerage, rehabilitation, construction and development of investment real property and real estate-related investments similar to the Investment and no Manager, Member or other Person shall have any interest in such other business or venture as a result of their ownership of Investor Units in the Fund.

1.7.4 Board Activity. In no event shall any provision of this Agreement be interpreted as preventing, or limiting in any respect, the Manager or any Affiliate thereof from taking an active role in or receiving compensation for serving on the board of directors, investment committee or other governing or advisory body of any entity.

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

3. Capitalization and Financing.

3.1 Members' Capital Contributions.

3.1.1 Initial Members. Each of Capital Square Realty Advisors, LLC and the Manager contributed an amount equal to $100 in cash to the Fund prior to the date hereof but shall not receive any Investor Units therefore (the "Initial Member Capital Contributions"). Immediately following the Initial Closing, the Initial Member Capital Contributions shall be returned to the Initial Members, Capital Square Realty Advisors, LLC automatically shall withdraw from and cease to be a member of the Fund and shall have no further rights or claims against, or obligations to, the Fund as such, and none of the Members shall have any claim or recourse against Capital Square Realty Advisors, LLC as such. The Members hereby consent to the return of the Initial Member Capital Contributions and the withdrawal of Capital Square Realty Advisors, LLC.

3.1.2 Investor Units. Each Investor Unit in the Fund represents a unit of membership interest in the Fund. The Investor Units will not be evidenced by certificates, unless otherwise determined by the Manager in its discretion. The Fund is hereby authorized to sell and issue not more than 49,375 Investor Units pursuant to the Memorandum at $1,000 per Investor Unit, which number of Investor Units may be adjusted by the Manager, up to 56,782 Investor Units, in such increments as the Manager determines in its sole discretion, and to admit as Members each Person who acquires Investor Units. Notwithstanding the foregoing, the Manager may, but shall not be obligated to, cause the Fund to sell and issue additional Investor Units from time to time as the Manager may deem necessary or advisable in order to acquire the Investment and develop and manage the Project (as such term is defined in the Memorandum). The Manager may utilize Capital Contributions to fund the Investment and to pay Fund expenses or reserves therefor and for such other purposes as may be permitted by this Agreement.

3.1.3 Subscription Agreement; Payment of Capital Contribution. Each Person desiring to acquire Investor Units and become a Member shall tender to the Fund a Subscription Agreement specifying the number of Investor Units desired, together with the full Subscription Payment for the Investor Units so subscribed. Acceptance of a Subscription Agreement shall be in the Manager's sole discretion as evidenced by its execution thereof. Upon the acceptance of a Subscription Agreement, the accompanying Subscription Payment shall become a Capital Contribution by such subscriber, subject to Section 3.1.7. The Manager shall use its commercially reasonable efforts to conduct the affairs of the Fund so that the assets of the Fund will not be treated as constituting "plan assets" for purposes of ERISA, whether by (i) limiting investment by Benefit Plan Investors to less than 25%, or such other threshold percentage as may be specified by the Plan Assets Regulation or ERISA from time to time, of any class of Membership Interest in the Fund, or (ii) complying with any other statutory or regulatory exception under ERISA.

3.1.4 Manager as Member. The Manager and/or its Affiliates may purchase Investor Units for the same price and upon the same terms and conditions, as all other purchasers thereof, net of selling commissions and expenses and certain other items as described in Section 3.1.7. Without limitation to the foregoing, the Manager and/or its Affiliates may receive Investor Units as expressly set forth in this Agreement. As a result, the Manager or its Affiliates shall be admitted to the Fund as Members with respect to such Investor Units and shall be entitled to all rights as Members appurtenant thereto, including but not limited to, the right to vote on certain Fund matters as provided for in this Agreement, and to receive Distributions and allocations attributable to the Investor Units so purchased.

3.1.5 Admission of a Member. To the extent required by law, the Manager shall amend this Agreement and take such other action as the Manager deems necessary or appropriate promptly after receipt of the Members' Capital Contributions to reflect the admission of those Persons as Members of the Fund.

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

3.1.7 Reduction of Securities Compensation. The Fund, in the Manager's sole discretion, may accept purchases of Investor Units net of all or an agreed portion of the Selling Commissions and Expenses, including by way of illustration, but not limitation, from subscribers purchasing through a registered investment advisor, from subscribers for the Investor Units who are Affiliates of the Manager or registered broker-dealers. The reduction of the Selling Commissions and Expenses may be offered on a selective basis, as determined by the Manager, in its sole discretion. Such investor's Capital Contribution for purposes of such investor's Capital Account and this Agreement shall equal $1,000 per Investor Unit purchased (the sum of the Subscription Payment for the Investor Units subject to the reduction of the Selling Commissions and Expenses plus the dollar amount of the reduction in the Selling Commissions and Expenses, the "Purchase Discount").

3.2 Affiliate Loans. The Manager or an Affiliate of the Manager may, but will have no obligation to, make loans to the Fund to acquire the Investment, pay operating expenses or for any other business purpose, which loans shall be as provided in Section 6.1.2.

3.3 Third Party Beneficiaries. The parties to this Agreement shall be entitled to all of the privileges, benefits and rights contained herein; no other party shall be a third party beneficiary or have any rights hereunder or be able to enforce any provision contained herein.

4. Allocation of Tax Items.

4.1 Generally. After giving effect to the special allocations contained in Sections 4.2 and 4.3, Net Income and Net Loss shall be allocated to the Members' Capital Accounts in such manner as to cause each Member's Capital Account to equal the amount that such Member would receive from the Fund pursuant to Section 5.1 hereof if on the last day of such year (a) all of the Fund's assets that are then secured by nonrecourse debt were sold for an amount equal to such debt, (b) all of the Fund's other assets were sold for an amount equal to their Book Value, (c) all of the Fund's liabilities were satisfied and (d) all remaining sale proceeds were distributed to the Members in the order and proportions as listed in Section 5.1 hereof. To the extent necessary to produce target Capital Account balances provided above in this Section 4.1, items of gross income and gain or deduction shall consist of a proportionate amount of each item of Fund gross income and gain or deduction, as the case may be, for such year.

4.2 Special Allocations

(a) Qualified Income Offset. Except as provided in Section 4.2(c), in the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Fund income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit created by such adjustment, allocation or distribution as quickly as possible.

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

(c) Fund Minimum Gain Chargeback. Notwithstanding any other provision of this Section 4, if there is a net decrease in Fund Minimum Gain during any Fund fiscal year, each Member shall be specially allocated items of Fund income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Fund Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g)(2). This Section 4.2(c) is intended to comply with the partnership minimum gain chargeback requirement in the Treasury Regulations and shall be interpreted consistently therewith. This provision shall not apply to the extent the Member's share of net decrease in Fund Minimum Gain is caused by a guaranty, refinancing, or other change in the debt instrument causing it to become partially or wholly recourse debt or Member Nonrecourse Debt, and such Member bears the economic risk of loss (within the meaning of Treasury Regulations Section 1.752-2) for the newly guaranteed, refinanced or otherwise changed debt or to the extent the Member contributes cash to the capital of the Fund that is used to repay the Nonrecourse Debt, and the Member's share of the net decrease in Fund Minimum Gain results from the repayment.

(d) Member Minimum Gain Chargeback. Notwithstanding any other provision of this Section 4, except Section 4.2(c), if there is a net decrease in Member Minimum Gain, any Member with a share of that Member Minimum Gain (as determined under Treasury Regulations Section 1.704-2(i)(5)) as of the beginning of the year shall be allocated items of Fund income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g)(2). This Section shall not apply to the extent the net decrease in Member Minimum Gain arises because the liability ceases to be Member Nonrecourse Debt due to conversion, refinancing or other change in a debt instrument that causes it to become partially or wholly a Nonrecourse Debt. This Section is intended to comply with the partner minimum gain chargeback requirements in the Treasury Regulations and shall be interpreted consistently therewith and applied with the restrictions attributable thereto.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year or other period shall be allocated 100% to the Investor Units in proportion to the Members' respective ownership of the Investor Units.

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

(g) Code Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Fund asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Treasury Regulations.

4.3 Curative Allocations. Notwithstanding any other provision of this Agreement, the Regulatory Allocations shall be taken into account in allocating items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

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

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

4.6 Allocation Among Investor Units. Except as otherwise provided in this Agreement, all Distributions and allocations made to the Investor Units shall be in the ratio of the number of Investor Units held by each such Member on the date of such allocation (which allocation date shall be deemed to be the last day of each month) to the total outstanding Investor Units as of such date, and, except as otherwise provided in this Agreement without regard to the number of days during such month that the Investor Units were held by each Member. Members who purchase Investor Units at different times during the Fund tax year shall be allocated Net Income and Net Loss using the monthly convention set forth in Section 4.8.1.

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

4.8 Assignment.

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

4.8.2 In the event of the assignment of the Manager's interest, the allocations of Net Income or Net Loss shall be as agreed between the Manager and its assignee. In the absence of an agreement, the Net Income, Net Loss and Distributions shall be allocated in a manner similar to that provided in Section 4.7.

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

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

4.11 Withholding Obligations.

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

4.11.2 If and to the extent the Fund is required to make any Tax Payment with respect to any Member, or elects to make payment on any loan described in Section 4.11.1 by offset to a Distribution to a Member, either (a) such Member's proportionate share of such Distribution shall be reduced by the amount of such Tax Payment, or (b) such Member shall pay to the Fund prior to such Distribution an amount of cash equal to such Tax Payment. In the event a portion of a Distribution in kind is retained by the Fund pursuant to clause (a) above, such retained property may, in the discretion of the Manager, either (i) be distributed to the other Members, or (ii) be sold by the Fund to generate the cash necessary to satisfy such Tax Payment.

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

5. Distributions.

5.1 Distributable Cash. Distributable Cash shall be distributed to the Members *pro rata* in accordance with their respective ownership of Investor Units.

5.2 Restrictions. Following the initial Investment attaining stabilization, and subject to receipt by the Fund of proceeds from the Initial Project Entity, the Fund intends to make distributions of substantially all cash determined by the Manager to be distributable on a quarterly basis, in arrears within 30 days following the end of each calendar quarter, subject to the following: (a) Distributions may be restricted or suspended for periods when the Manager determines in its reasonable discretion that it is in the best interest of the Fund to do so; and (b) all Distributions are subject to reinvestment of Cash from Operations and Cash from Capital Transactions in the Investment, including by means of a like-kind exchange under Section 1031 of the Code, and the payment, and the maintenance of reasonable reserves for payment, of Fund obligations. Notwithstanding any provision to the contrary contained herein, the Fund shall not be required to make a distribution to any Member on account of such Member's interest in the Fund if such distribution would violate the Act or any other applicable law.

6. Compensation to the Manager and Affiliates; Fund Expenses.

6.1 Manager's and Affiliates' Compensation. The Manager and its Affiliates shall receive compensation from the Fund for services rendered or to be rendered as specified in this Agreement.

6.1.1 Management Fee.

(a) The Manager or its designee shall be entitled to receive an annual asset management fee (the "Management Fee") equal to 2.0% of the aggregate Capital Contributions for the Manager's services to the Fund in connection with organizing, managing and overseeing the operations of the Fund. The Management Fee will be payable in monthly installments (i.e., one-twelfth of the

calculated fee) in arrears. The Management Fee shall be payable within ten (10) days after the end of each month.

(b) The Manager may share all or any portion of the Management Fee with other Persons, whether or not Affiliated with the Manager, including Persons assisting the Fund in identifying, making or acquiring the Investment or assisting in the sale of Investor Units (to the extent permitted by federal and state securities laws and regulations).

(c) The Manager shall have the right, in its sole discretion, to subcontract some or all of the asset management services, at the Manager's sole cost.

6.1.2 Loan from Manager or its Affiliates. The Manager or its Affiliates may make loans to the Fund or to Project Entities, including without limitation in order to allow the Fund or such Project Entity to acquire the Investment, which loans will bear interest at a rate not to exceed the Manager's or such Affiliate's cost of capital therefor (including any related costs and expenses incurred by the Manager or such Affiliate in connection with such loans).

6.1.3 Equity Placement Fee. The Members acknowledge and agree that the Manager or its designee shall also receive from the Fund an equity placement fee equal to 2.0% of the total capital contributions made to the Initial Project Entity by the Fund ("Equity Placement Fee").

6.1.4 Other Compensation; Fees in Excess of Limitations. Services for which the Fund or a Project Entity engages the Manager or its Affiliates and which are not described in this Section 6 will be compensated at market rates as determined in the Manager's good faith discretion. Fees payable to the Manager or its Affiliates in excess of the rate set forth in this Section 6 will require the consent of a majority of the Investor Units then outstanding (not including any Investor Units held by the Manager or its Affiliates). For this purpose, a Member will be deemed to have consented with respect to such Member's Investor Units if such Member has not objected in writing within five calendar days after the receipt of the consent request. The Manager, on its own behalf and/or on behalf of its Affiliates, in its sole discretion, may defer, waive or reallocate to any person, in whole or in part, the payment of any fees, commissions or expenses otherwise payable to the Manager or its Affiliates pursuant to this Agreement and/or the Memorandum.

6.2 Fund Expenses.

6.2.1 Operating Expenses. Subject to the limitations set forth in this Section 6.2, the Fund shall pay directly, or reimburse the Manager, as the case may be, for all of the costs and expenses of the Fund's operations, including, without limitation, the following costs and expenses: (a) all costs of personnel employed by the Fund and directly involved in the Fund's business; (b) all compensation due to the Manager or its Affiliates; (c) all costs of personnel employed by the Manager or its Affiliates and directly involved in the business of the Fund; (d) all costs of borrowed money, taxes and assessments on the Investment and other taxes applicable to the Fund; (e) legal, accounting, audit, brokerage, and other fees; (f) fees and expenses paid to independent contractors, mortgage bankers, real estate brokers, and other agents; (g) costs of acquiring, owning, developing, constructing, repositioning, rehabilitating, improving, operating, and disposing of the Investment and investments in Project Entities, including without limitation the Fund's pro rata share of fees, expenses and reimbursements incurred by the Initial Project Entity; (h) expenses incurred in connection with the alteration, maintenance, repair, remodeling, refurbishment, leasing and operation of the Investment; (i) all expenses incurred in connection with the maintenance of Fund books and records, the preparation and dissemination of reports, tax returns or other information to Members and the making of Distributions to the Members; (j) expenses incurred in preparation and filing reports or other information with appropriate regulatory agencies; (k) expenses of insurance as required in connection with the business of the Fund, other than any insurance insuring the Manager against losses for which it is not entitled to be indemnified under Section 7.8; (l) to the fullest extent permitted by law, costs incurred in connection with any litigation in which the Fund may become

involved, or any examination, investigation, or other proceedings conducted by any regulatory agency, including legal and accounting fees; (m) the actual costs of goods and materials used by or for the Fund; (n) the costs of services that could be performed directly for the Fund by independent parties such as legal, accounting, secretarial or clerical, reporting, transfer agent, data processing and duplicating services but which are in fact performed by the Manager or its Affiliates, but not in excess of the lesser of: (i) the actual costs to the Manager or its Affiliates of providing such services; or (ii) the amounts which the Fund would otherwise be required to pay to independent parties for comparable services in the same geographic locale; (o) expenses of Fund administration, accounting, documentation and reporting; (p) expenses of revising, amending, modifying, or terminating this Agreement, the Articles of Organization or similar filings; (q) expenses incurred in connection with the dissolution and liquidation of the Fund, including any legal and accounting costs; (r) the Management Fee; (s) the Equity Placement Fee; and (t) all other costs and expenses incurred in connection with the business of the Fund exclusive of those set forth in Section 6.2.2.

6.2.2 Manager Overhead. Except as provided in this Section 6.2, the Manager and its Affiliates shall not be reimbursed for overhead expenses incurred in connection with the Fund, including, but not limited to: (1) rent, depreciation, utilities, capital equipment, other administrative items, and (2) the following items paid to any officer of the Manager or any Affiliate: salaries, fringe benefits, travel expenses and other administrative items not expressly provided in Section 6.2.1.

6.2.3 Acquisition Expenses. Notwithstanding Section 6.2.2, the Manager and its Affiliates will be reimbursed for all costs and expenses of any kind or description advanced or otherwise paid by them in connection with conducting due diligence on the Investment and acquisition of the Investment, including by way of illustration, but not limitation, down payments, closing costs, carrying costs, loan commitment fees, other financing fees and costs, engineering costs, title costs, travel expenses, legal, environmental and other studies, surveys, escrow deposits and costs, which advances will bear interest at a rate not to exceed the Manager's or its Affiliate's cost of capital therefor (including any related costs and expenses incurred by the Manager or such Affiliate in connection with loans necessary to fund such advances).

6.2.4 Organization and Offering Expenses; Selling Commission and Expenses. The Manager will be responsible for paying the Organization and Offering Expenses of the Fund. In connection therewith, the Fund will pay the Manager an amount equal to 1.0% of Gross Proceeds to cover the costs associated with the Organization and Offering Expenses. If the actual Organization and Offering Expenses exceed such amount, the Manager will bear such excess, and if the actual Selling Commissions and Expenses are less than such amount, the Manager will retain the difference as additional compensation. In addition, the Fund will be responsible for paying the Selling Commissions and Expenses. If the actual sales commissions and expenses exceed the Selling Commissions and Expenses, the Manager will bear such excess, and if the Selling Commissions and Expenses exceed the actual sales commissions and expenses, the selling group or the Manager, as applicable, will retain the difference as additional compensation.

6.2.5 [*Reserved.*]

7. Authority and Responsibilities of the Manager.

7.1 Number, Tenure and Qualifications. The Fund shall have one Manager, which shall initially be Capital Square Glendale BFR Manager, LLC. The Manager shall hold office until it is removed, withdraws or resigns.

7.2 Management. The business and affairs of the Fund shall be managed solely by the Manager. Except as otherwise set forth in this Agreement, the Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and all property of the Fund, to

make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Fund's business. The Fund shall have no other managers or officers.

7.3 Manager Authority. The Manager shall have all authority, rights and powers conferred by law (subject only to Section 7.4 and as otherwise specified herein) and those required for or appropriate to the management of the Fund's business, which include, by way of illustration, but not limitation, the right, authority and power to cause the Fund to:

7.3.1 Acquire, hold, develop, construct, rehabilitate, reposition, improve, lease, rent, operate, sell, exchange, subdivide and otherwise dispose of all property, including the Investment;

7.3.2 Borrow money, and, if security is required therefor, to pledge or mortgage or subject the Investment to any security device, to obtain replacements of any mortgage or other security device and to prepay, in whole or in part, refinance, increase, modify, consolidate, or extend any mortgage or other security device. All of the foregoing shall be on such terms and in such amounts as the Manager, in its sole and absolute discretion, deems to be in the best interest of the Fund. Without limitation to the foregoing, the Manager may cause the Fund to borrow from the Manager or its Affiliates amounts sufficient for the Fund to acquire the Investment pursuant to the terms of this Agreement;

7.3.3 Place record title to, or the right to use the Investment in the name or names of a nominee or nominees for any purpose convenient or beneficial to the Fund;

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

7.3.5 Employ persons, who may be Affiliates of the Manager, in the operation and management of the business of the Fund;

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

7.3.7 Open accounts and deposits and maintain funds in the name of the Fund in banks, savings and loan associations, "money market," mutual funds and other as the Manager, in its sole and absolute discretion may deem to be necessary or desirable;

7.3.8 Cause the Fund to make or revoke any of the elections referred to in the Code, provided that the Manager shall have no obligation to make any such elections;

7.3.9 Select as its accounting year a calendar or fiscal year as may be approved by the Internal Revenue Service, provided that the Fund initially intends to adopt the calendar year;

7.3.10 Determine the appropriate accounting method or methods to be used by the Fund;

7.3.11 In addition to any amendments otherwise authorized herein, amend this Agreement without any action on the part of the Members:

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

(b) To cure any ambiguity or correct or supplement any provision of this Agreement that may be incorrect, incomplete or inconsistent with any other provision contained herein or any material provision of the Memorandum, so long as any such amendment does not materially adversely affect the interests of any Member hereunder;

(c) To delete or add any provision of this Agreement required to be so deleted or added for the benefit of the Members by the staff of the Securities and Exchange Commission or by any state securities regulatory authority;

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

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

(f) To reconstitute the Fund under the laws of another state if beneficial for tax or other purposes;

(g) As required by any lender who has made a loan secured by the Investment or as required by a lender in connection with a refinancing; and

(h) To execute, acknowledge and deliver any and all instruments to effectuate the foregoing, including by way of illustration, but not limitation, the execution, acknowledgment and delivery of any such instrument by the attorney-in-fact for the Manager under a special or limited power of attorney, and to take all such actions in connection therewith as the Manager, in its sole and absolute discretion, shall deem necessary or appropriate with the signature of the Manager acting alone.

7.3.12 Require in any Fund contract that the Manager shall not have any personal liability, but that the Person contracting with the Fund is to look solely to the Fund and its assets for satisfaction;

7.3.13 Lease personal property for use by the Fund;

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

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

7.3.16 Make secured or unsecured loans to the Fund and receive interest at prevailing rates;

7.3.17 Redeem or repurchase Investor Units on behalf of the Fund;

7.3.18 Hold an election for a successor Manager before the resignation, expulsion or dissolution of the Manager;

7.3.19 Initiate legal actions, settle legal actions and defend legal actions on behalf of the Fund;

7.3.20 Admit itself as a Member;

7.3.21 Enter into any transaction with any partnership or venture;

7.3.22 Place all or a portion of the Investment in a single purpose or bankruptcy remote entity, or otherwise structure or restructure the Fund to accommodate any financing for the Investment and for other good business purposes such as limiting liability;

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

7.3.24 Subcontract with Affiliates and third parties, in the Manager's sole and absolute discretion, to perform some or all management functions set forth herein;

7.3.25 Enter into forward interest rate lock agreements on behalf of the Fund or on behalf of the Manager or its Affiliates;

7.3.26 Make or acquire mortgage loans and subordinated loans financing improved and unimproved real properties and hold such loans for investment;

7.3.27 Reinvest Cash from Operations or Cash from Capital Transactions in the Investment or Temporary Investments, subject to Section 5.2; and

7.3.28 Execute, acknowledge and deliver any and all instruments to effectuate the foregoing and take all such actions in connection therewith as the Manager may deem necessary or appropriate. Notwithstanding any other provision of the Agreement, any and all documents or instruments may be executed on behalf and in the name of the Fund by the Manager.

7.4 Restrictions on Manager's Authority. Neither the Manager nor any Affiliates shall have authority to:

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

7.4.2 Alter the primary purpose of the Fund;

7.4.3 Receive from the Fund any rebate, kick-back or give-up or participate in connection with the operation of the Fund in any reciprocal business arrangements which would enable it or any Affiliate to do so (excluding the fees, compensation and other items set forth in the Memorandum and fees, compensation or other items paid to the Manager or an Affiliate thereof in connection with services rendered to the Fund or as set forth in or otherwise contemplated by this Agreement);

7.4.4 Admit another Person as the Manager, except with a Majority Vote of the Members as provided in this Agreement;

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

7.4.6 Directly or indirectly pay or award any finder's fees, commissions or other compensation to any investment adviser engaged by a potential investor for investment advice as an inducement to such advisor to advise the purchaser regarding the purchase of Investor Units;

7.4.7 Merge, combine or "roll-up" the Fund into a partnership, limited liability company or other entity or participate in an UPREIT, DOWNREIT or similar transaction with a real

estate investment trust or other entity, except with a Majority Vote of the Members as provided in this Agreement; or

7.4.8 Vote, or permit to be voted, any Investor Units owned by the Manager or any Affiliate to remove the Manager in accordance with Section 9.2.

7.5 Responsibilities of the Manager. The Manager shall:

7.5.1 Devote such of its time and efforts to the business of the Fund as the Manager in its discretion, exercised in good faith, shall determine to be necessary to conduct the business of the Fund;

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

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

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

7.5.5 Amend this Agreement as necessary to reflect the admission of Members.

7.6 Administration of the Fund. So long as it is the Manager and the provisions of this Agreement for compensation and reimbursement of expenses of the Manager are observed, the Manager shall have the responsibility of providing continuing administrative and executive support, advice, consultation, analysis and supervision with respect to the functions of the Fund, including decisions regarding the sale or refinancing or other disposition of the Investment, and compliance with federal, state and local regulatory requirements and procedures. In this regard, the Manager may retain the services of such Affiliates or unaffiliated parties as the Manager may deem appropriate to provide management and financial consultation and advice, and may enter into agreements for the management and operation of Fund assets.

7.7 Partnership Representative.

7.7.1 The Manager is hereby designated as the partnership representative (the "Partnership Representative") of the Fund for purposes of Sections 6221 through 6241 of the Code, as amended by the Bipartisan Budget Act of 2015, together with any guidance issued thereunder or successor provisions and any similar provision of state or local tax laws (the "Partnership Tax Audit Rules"), and shall engage in such undertakings as are required of the Partnership Representative, as provided in Section 6223(a) of the Code, and to oversee or handle matters relating to the taxation of the Fund. Each Member, by the execution of this Agreement consents to such designation of the Partnership Representative and agrees to execute, certify, acknowledge, deliver, swear to, file, and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent. With respect to any period during which any Person other than a natural person is the Partnership Representative, the Partnership Representative shall cause the Fund to appoint an individual eligible to be a "designated individual" under Section 6223 of the Partnership Tax Audit Rules (the "Designated Individual").

7.7.2 The Partnership Representative shall represent the Fund (at the Fund's expense) in connection with all examinations of the Fund's affairs by federal, state, and local taxing authorities, including resulting administrative and judicial proceedings, and to expend funds of the Fund for professional services and costs associated therewith. The Partnership Representative shall have sole authority to act on behalf of the Fund in any such examinations and any resulting administrative or

judicial proceedings, shall have sole discretion to determine whether the Fund (either on its own behalf or on behalf of the Members) will contest or continue to contest any tax deficiencies assessed or proposed to be assessed by any federal, state, or local taxing authority, and shall have sole discretion in making determinations on behalf of the Fund in connection therewith, including, but not limited to, the extension of the statute of limitations, filing a request for administrative adjustment, filing suit relating to any Fund tax refund or deficiency, or entering into any settlement agreement relating to items of income, gain, loss or deduction of the Fund with any federal, state, and local taxing authority. The Partnership Representative may make on behalf of the Fund all elections for federal income and all other tax purposes.

7.7.3 A Member shall promptly notify the Partnership Representative of any intention to (I) file a notice of inconsistent treatment under Section 6222(b) of the Code or a notice under Section 6222(c) of the Code, (II) file a request for administrative adjustment of Fund items, (III) file a petition with respect to any Fund item or other tax matters involving the Fund, or (IV) enter into a settlement agreement with the Secretary of the Treasury with respect to any Fund items. The Partnership Representative will have the right to make all elections under the Partnership Tax Audit Rules and will promptly notify the Members of the commencement and conclusion of an audit. In the event that the Fund is responsible for the payment or deposit of any "imputed underpayment" in respect of an administrative adjustment pursuant to Section 6225(a) of the Partnership Tax Audit Rules, the Partnership Representative shall be authorized to withhold such amounts and make such adjustments to allocations and distributions to the Members (including by treating the relevant payment as a distribution in respect of taxes) and to the Members' respective Capital Accounts as the Partnership Representative determines in its good faith discretion. Each Member shall cooperate with the Partnership Representative with respect to all tax matters relating to the Fund. Further, in the event of a "push-out" election under Section 6226(a) of the Partnership Tax Audit Rules, each Member shall amend such Member's individual tax returns (and pay the required taxes) within the required timeframe to take into account Fund-level adjustments as requested by the Partnership Representative and shall take any such other actions and provide such other information or certifications as may be reasonably requested by the Partnership Representative. If any payment under this Section 7.7.3 is made on behalf of or with respect to a former Member, that former Member shall pay over to the Fund an amount equal to the amount of such payment made on behalf of or with respect to such former Member within 30 days of written notice requesting the payment. The Partnership Representative and the Designated Individual shall be entitled to be reimbursed by the Fund for all costs and expenses incurred by them in connection with their actions in such positions (including any costs incurred in connection with any tax adjustment or audit proceedings). The obligations set forth in this Section 7.7.3 shall survive a Member's withdrawal from the Fund and the dissolution of the Fund.

7.7.4 The Manager may, in its sole discretion, cause the Fund to make the election in Section 754 of the Code and any other tax election for the Fund; provided, that the Manager shall not permit the Fund to elect, and the Fund shall not elect, to be treated as an association taxable as a corporation for U.S. federal, state or local income tax purposes under Treasury Regulations Section 301.7701-3(a) or under any corresponding provision of state or local law.

7.8 Indemnification of Manager.

7.8.1 The Manager, its members, managers, affiliates, officers, directors, partners, employees, agents and assigns, shall not be liable for, and shall be indemnified and held harmless (to the full extent of the Fund's assets and to the maximum extent permitted by applicable law) from, any loss or damage incurred by them, the Fund or the Members in connection with the business of the Fund, including by way of illustration, but not limitation, costs and reasonable attorneys' fees and any amounts expended in the settlement of any claims of loss or damage resulting from any act or omission performed or omitted in good faith, which shall not constitute gross negligence or willful misconduct, pursuant to the authority granted herein or by applicable law, to promote the interests of the Fund. Moreover, the

Manager shall not be liable to the Fund or the Members because any taxing authorities disallow or adjust any deductions or credits in the Fund income tax returns.

7.8.2 Notwithstanding Section 7.8.1, the Fund shall not indemnify any Manager, or shareholder, member, manager, director, officer or other employee thereof, for liability imposed or expenses incurred in connection with any claim arising out of a violation of the Securities Act of 1933, as amended (the "Securities Act"), or any other applicable federal or state securities law; provided that indemnification will be allowed for settlements and related expenses in lawsuits alleging securities law violations, and for expenses incurred in successfully defending such lawsuits, if (i) such indemnified Person is successful in defending the action; (ii) the indemnification is specifically approved by the court of law which shall have been advised as to the current position of the Securities and Exchange Commission (as to any claim involving allegations that the Securities Act was violated) or the applicable state authority (as to any claim involving allegations that the applicable state's securities laws were violated); or (iii) in the opinion of counsel for the Fund, the right to indemnification has been settled by controlling precedent.

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

7.10 Authority as to Third Persons.

7.10.1 Notwithstanding any other provision of this Agreement, no third party dealing with the Fund shall be required to investigate the authority of the Manager or secure the approval or confirmation by any Member of any act of the Manager in connection with the Fund business. No purchaser of any property or interest owned by the Fund shall be required to determine the right to sell or the authority of the Manager to sign and deliver any instrument of transfer on behalf of the Fund, or to see to the application or distribution of revenues or proceeds paid or credited in connection therewith.

7.10.2 The Manager shall have full authority to execute on behalf of the Fund any and all agreements, contracts, conveyances, deeds, mortgages and other instruments, and the execution thereof by one or more officers of the Manager, executing on behalf of the Fund, shall be the only execution necessary to bind the Fund thereto. No signature of any Member shall be required.

7.10.3 The Manager shall have the right by separate instrument or document to authorize one or more individuals or entities to execute leases and lease-related documents on behalf of the Fund and any leases and documents executed by such agent shall be binding upon the Fund as if executed by the Manager.

7.11 Authorization. The Fund is authorized to borrow, from time to time, a loan from a lender to be determined by the Manager, and, from time to time, refinance such loans. In addition, the Manager, on behalf of the Fund, may enter into, deliver and perform all documents, agreements, certificates or financing statements contemplated thereby or related thereto, all without any further act, vote or approval of any Member or other Person, notwithstanding any other provision in this Agreement, the Act or applicable law, rule or regulation. The foregoing authorization shall not be deemed a restriction on the powers of the Manager to enter into other agreements on behalf of the Fund.

7.12 UPREIT Contribution. As an alternative exit strategy with respect to the Investment, the Manager may elect to facilitate an exchange contribution transaction pursuant to Section 721 of the Code (a "721 UPREIT Contribution"), whereby the Manager will provide the Members with the option of either (i) exchanging their Investor Units for an equivalent value of operating partnership units ("OP Units") of a real estate investment trust ("REIT") sponsored or managed by an affiliate of the Manager

(such exchange is referred to as a "721 Exchange") or (ii) in lieu of participation in the 721 Exchange, receiving a fair market value cash buy-out of their Investor Units. A Majority Vote of the Members will be required before the Fund may participate in such a 721 UPREIT Contribution.

8. Rights, Authority and Voting of the Members

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

8.2 Voting by a Member. Members who own Investor Units shall be entitled to cast one vote for each Investor Unit they own. Except as otherwise specifically provided in this Agreement or any mandatory provision of the Act, Members who own Investor Units shall have the right to vote only upon the following matters:

8.2.1 Removal of the Manager as provided in this Agreement;

8.2.2 Amendment of this Agreement;

8.2.3 Any merger, combination or "roll-up" of the Fund into a partnership, limited liability company or other entity or participation in an UPREIT, DOWNREIT or similar transaction with a real estate investment trust or other entity;

8.2.4 Dissolution and winding up of the Fund as set forth in Section 13.1.1;

8.2.5 Admission of a Manager or election to continue the business of the Fund after a Manager ceases to be a Manager when there is no remaining Manager.

8.3 Member Vote; Consent of Manager. Except as expressly provided in this Agreement, matters upon which the Members may vote shall require a Majority Vote of the Members to pass and become effective. The following matters shall also require the consent of the Manager to pass and become effective:

8.3.1 Any amendment to this Agreement;

8.3.2 Any merger, combination or "roll-up" of the Fund into a partnership, limited liability company or other entity or participation in an UPREIT, DOWNREIT or similar transaction with a real estate investment trust or other entity; and

8.3.3 The admission of an additional or successor Manager when the current Manager will continue as such.

For purposes of any vote, consent or approval of the Members, a Member will be deemed to have consented with respect to such Member's Investor Units if such Member has not objected in writing within five calendar days after the receipt of the consent request.

8.4 Meetings of the Members. The Manager may at any time call for a meeting of the Members, or for a vote without a meeting, on matters on which the Members are entitled to vote. In addition, the Manager shall call for such a meeting following receipt of a written request therefor of Members holding more than 25% of the Investor Units entitled to vote as of the record date. Within 20 days after receipt of such request, the Manager shall notify all Members of record on the record date of the Fund meeting.

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

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

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

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

8.4.5 Action Without Meeting. Except as otherwise provided in this Agreement, any action which may be taken at any meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Members having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all entitled to vote thereon were present and voted. In the event the Members are requested to consent on a matter without a meeting, each Member shall be given not less than 10, nor more than 60, days notice. In the event the Manager or Members representing more than 25% of the Investor Units, request a meeting for the purpose of discussing or voting on the matter, the notice of a meeting shall be given in the same manner as required by Section 8.4.1 and no action shall be taken until the meeting is held. Unless delayed as a result of the preceding sentence, any action taken without a meeting will be effective 5 days after the required minimum number of voters have signed the consent; however, the action will be effective immediately if the Manager and Members representing at least 90% of the Investor Units have signed the consent.

8.4.6 Record Dates. For purposes of determining the Members entitled to notice of any meeting or to vote or entitled to receive any Distributions or to exercise any rights in respect of any other lawful matter, the Manager (or Members representing more than 25% of the Investor Units if the meeting is being called at their request) may fix in advance a record date, which is not more than 60 nor less than 10 days prior to the date of the meeting nor more than 60 days prior to any other action. If no record date is fixed:

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

(b) The record date for determining Members entitled to give consent to Fund action in writing without a meeting shall be the day on which the written consent setting forth such proposed action is sent to the Members;

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

(d) A determination of Members of record entitled to notice of, or to vote at, a meeting of Members shall apply to any adjournment of the meeting unless the Manager, or the Members who requested the meeting fix a new record date for the adjourned meeting, but the Manager, or such Members, shall fix a new record date if the meeting is adjourned for more than 45 days from the date set for the original meeting.

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

8.4.8 Chairman of Meeting. The Manager may select any person to preside as Chairman of any meeting of the Members, and if such person shall be absent from the meeting, or fail or be unable to preside, the Manager may name any other person in substitution therefor as Chairman. In the absence of an express selection by the Manager of a Chairman or substitute therefor, the President, Chief Executive Officer, Executive Vice President, Secretary, or Chief Financial Officer of the Manager shall preside as Chairman, in that order. The Chairman of the meeting shall designate a secretary for such meeting, who shall take and keep or cause to be taken and kept minutes of the proceedings thereof. The conduct of all Members' meetings shall at all times be within the discretion of the Chairman of the meeting and shall be conducted under such rules as the Chairman may prescribe. The Chairman shall have the right and power to adjourn any meeting at any time, without a vote of the Investor Units present in person or represented by proxy, if the Chairman shall determine such action to be in the best interests of the Fund.

8.4.9 Inspectors of Election. In advance of any meeting of Members, the Manager may appoint any Persons other than nominees for Manager or other office as the inspector of election to act at the meeting and any adjournment thereof. If an inspector of election is not so appointed, or if any such Person fails to appear or refuses to act, the Chairman of any such meeting may, and on the request of any Member or such Member's proxy shall, make such appointment at the meeting. The inspector of election shall determine the number of Investor Units outstanding and the voting power of each, the Investor Units represented at the meeting, the existence of a quorum, the authenticity, validity and effect of proxies, receive votes, ballots or consents, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes or consents, determine when the polls shall close, determine the result and do such acts as may be proper to conduct the election or vote with fairness to all Members. Any inspector of election appointed hereby shall be entitled to indemnification to the extent set forth in Section 7.8.

8.4.10 Record Date and Closing Fund Books. When a record date is fixed, only Members of record on that date are entitled to notice of and to vote at the meeting or to receive a

Distribution, or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any Investor Units on the books of the Fund after the record date.

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

8.6 Restrictions on the Members. No Member shall:

8.6.1 Except as required by law, disclose to any non-Member other than their lawyers, accountants or consultants and/or commercially exploit any of the Fund's business practices, trade secrets or any other information not generally known to the business community, including the identity of suppliers utilized by the Fund and any reports or financial information provided by the Fund or the Manager;

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

8.6.3 Do any act contrary to this Agreement.

8.7 Return of Capital of Member. In accordance with the Act and this Agreement, including without limitation Section 7.7.3 hereof, a Member may, under certain circumstances, be required to return to the Fund, for the benefit of the Fund's creditors, amounts previously distributed to such Member. If any court of competent jurisdiction holds that any Member is obligated to make any such payment, such obligation shall be the obligation of such Member and not of the Fund, the Manager or any other Member. Each Member shall be obligated to return any Distribution made to such Member in error.

9. Resignation and Termination.

9.1 Resignation or Withdrawal of Manager. Subject to Section 10, the Manager shall not resign or withdraw as the Manager or do any act that would require its resignation or withdrawal.

9.2 Removal for Cause. Subject to any restrictions set forth in any applicable debt financing documents, the Members by Majority Vote shall have the right to remove the Manager at any time solely "for cause." For purposes of this Agreement, removal of the Manager "for cause" shall mean removal due to the (a) gross negligence or fraud of the Manager, (b) willful misconduct or willful breach of this Agreement by the Manager, (c) bankruptcy, insolvency or inability of the Manager to meet its obligations as the same come due, or (d) a conviction of a felony by Louis J. Rogers. If the Manager or an Affiliate owns any Investor Units, the Manager or such Affiliate, as the case may be, shall not participate in any vote to remove the Manager.

9.3 Purchase of Manager's Interest. Upon the removal of the Manager pursuant to Section 9.2 or substitution of the Manager pursuant to Section 10, the removed or transferring Manager shall be paid by the Fund all fees that have been earned and all other compensation remaining to be paid under this Agreement.

10. Assignment of the Manager's Interest.

10.1 Permitted Assignments. Except as otherwise provided in this Agreement, the Manager may not sell, assign, hypothecate, encumber or otherwise transfer any part or all of its interest in the Fund except with the consent of the Members by Majority Vote, which consent may be withheld by such Members in their sole and absolute discretion and without reason or for any reason whatsoever. If the Members consent to the transfer, the interest may only be sold to the proposed transferee (the "Transferee") within the time period approved by the Members, or within 90 days of such consent on the proposed terms and price, if later. All costs of the transfer, including reasonable attorneys' fees (if any), shall be borne by the transferring Manager.

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

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

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

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

10.1.5 Notwithstanding the foregoing Sections 10.1.1 through 10.1.4, and anything to the contrary in this Agreement, the Manager or its Affiliates may sell, assign, hypothecate, encumber or otherwise transfer any part or all of its interest in the Fund, provided that: (a) the Manager, its Affiliates and/or the transferee are responsible for all transfer costs including the Fund's legal fees and costs; (b) such transferee agrees to be bound by this Agreement; (c) such transfer complies with all requirements pursuant to the Act, and all applicable federal and state securities laws; and (d) such transferee is an Affiliate of the Manager.

10.2 Substitute Manager. Upon acceptance by the Members of an assignment by the Manager, any assignee of such Manager's interest in compliance with this Section 10 shall be substituted as the Manager, and this Agreement may be amended to reflect such substitution to the extent determined by such substituted Manager to be necessary or advisable.

10.3 Transfer in Violation Not Recognized. Any assignment, sale, exchange or other transfer in contravention of the provisions of this Section 10 shall, to the fullest extent permitted by law, be void and ineffectual and shall not bind or be recognized by the Fund.

11. Assignment of Investor Units.

11.1 Permitted Assignments. A Member may only sell, assign, hypothecate, encumber or otherwise transfer all of such Member's interest in the Fund if the following requirements are satisfied:

11.1.1 The Manager consents in writing to the transfer, which consent may be withheld in the Manager's sole discretion;

11.1.2 No Member shall transfer, assign or convey or offer to transfer, assign or convey all or any portion of an Investor Unit to any Person who does not possess the financial qualifications required of all Persons who become Members;

11.1.3 No Member shall have the right to transfer any Investor Unit to any minor or to any person who, for any reason, lacks the capacity to contract for himself or herself under applicable law. Such limitations shall not, however, restrict the right of any Member to transfer any one or more Investor Units to a custodian or a trustee for a minor or other person who lacks such contractual capacity;

11.1.4 The Manager, with advice of counsel, must determine that such transfer will not jeopardize the applicability of the exemptions from the registration requirements under the Securities Act or the Investment Company Act of 1940, as amended, and registration or qualification under state securities laws relied upon by the Fund and Manager in offering and selling the Investor Units or otherwise violate any federal or state securities laws;

11.1.5 The Manager, with advice of counsel, must determine that, despite such transfer, Investor Units will not be deemed traded on an established securities market or readily tradable on a secondary market (or the substantial equivalent thereof) under the provisions applicable to publicly traded partnership status;

11.1.6 Any such transfer shall be by a written instrument of assignment, the terms of which are not in contravention of any of the provisions of this Agreement, and which has been duly executed by the assignor of such Investor Units and accepted by the Manager in writing. Upon such acceptance by the Manager, such an assignee shall take such Investor Units subject to all terms of this Agreement;

11.1.7 A transfer fee shall be paid by the transferring Member in such amount as may be required by the Manager to cover all reasonable expenses, including attorneys' fees, connected with such assignment;

11.1.8 The transfer would not cause a default or otherwise accelerate any payment date on any loan obtained by the Fund; and

11.1.9 The minimum interest that may be transferred is the lesser of one Investor Unit or the Member's entire interest in the Fund.

11.2 Substituted Member.

11.2.1 Conditions to be Satisfied. No transferee of an interest in the Fund shall have the right to become a Substituted Member unless the Manager shall consent thereto in accordance with Section 11.2.2 and all of the following conditions are satisfied:

(a) A duly executed and acknowledged written instrument of assignment shall have been filed with the Fund, which instrument shall specify the number of Investor Units being assigned and set forth the intention of the assignor that the assignee succeed to the assignor's interest as a Substituted Member in the assignor's place;

(b) The assignor and assignee shall have executed, acknowledged and delivered such other instruments as the Manager may deem necessary or desirable to effect such substitution, which may include an opinion of counsel regarding the effect and legality of any such proposed transfer, and which shall include: (i) the written acceptance and adoption by the transferee of the provisions of this Agreement; and (ii) the execution, acknowledgment and delivery to the Manager of a special power of attorney, the form and content of which are more fully described herein; and

(c) A transfer fee sufficient to cover all reasonable expenses connected with such substitution shall have been paid to the Fund.

11.2.2 Consent of Manager. The consent of the Manager shall be required to admit a transferee of an interest in the fund as a Substituted Member. The granting or withholding of such consent shall be within the sole and absolute discretion of the Manager.

11.2.3 Consent of Member. By executing or adopting this Agreement, each Member hereby consents to the admission of additional or Substituted Members, and to any Transferee becoming a Substituted Member upon consent of the Manager and in compliance with this Agreement.

11.3 Rights of Transferee. A Transferee shall be entitled to receive Distributions from the Fund attributable to the interest acquired by reason of such assignment from and after the effective date of the assignment; provided, however, that notwithstanding anything herein to the contrary, the Fund shall be entitled to treat the assignor of such interest as the absolute owner thereof in all respects, and shall incur no liability for allocations of Net Income and Net Loss or Distributions, or for the transmittal of reports or accounting until the written instrument of assignment has been received by the Fund and recorded on its books and the other conditions set forth in Section 11.2.1 have been satisfied. The effective date of such assignment shall be the date on which all of the requirements of this Section have been complied with, subject to Section 4.8.

11.4 Right to Inspect Books. Transferees shall have no right to inspect the Fund's books or records, to vote on Fund matters, or to exercise any other right or privilege as Members, until they are admitted to the Fund as Substituted Members, except as provided in the Act.

11.5 Transfer Subject to Law. No assignment, sale, transfer, exchange or other disposition of any Investor Units may be made except in compliance with the applicable governmental laws and regulations, including state and federal securities laws.

11.6 Termination of Membership Interest. Upon the transfer of an Investor Unit in violation of this Agreement or the occurrence of a Dissolution Event as to such Member which does not result in the dissolution of the Fund, the Membership Interest of a Member shall be (i) converted into an interest in the Net Income, Net Loss and Distributions of the Fund but shall not include any right to vote or to participate in the management of the Fund or (ii) purchased by the Fund as provided herein.

12. Books, Records, Accounting and Reports.

12.1 Records, Audits and Reports. The Fund shall maintain at its principal office the Fund's records and accounts of all operations and expenditures of the Fund including the following:

12.1.1 A current list of the full name and last known business or resident address of each Member and Manager, together with the Capital Contribution of each Member;

12.1.2 A copy of the Articles of Organization and all amendments thereto, together with any powers of attorney pursuant to this Agreement;

12.1.3 Copies of the Fund's Federal, state, and local income tax or information returns and reports, if any, for the six most recent taxable years;

12.1.4 Copies of this Agreement and any amendments thereto together with any powers of attorney pursuant to which any written accounting or any amendments thereto were executed;

12.1.5 Copies of any financial statements of the Fund, if any, for the six most recent years; and

12.1.6 The Fund's books and records as they relate to the internal affairs of the Fund for at least the current and past four fiscal years.

12.2 Delivery to Members and Inspection. Each Member has the right, upon reasonable written request for purposes related to the interest of that Person as a Member, to receive from the Fund:

12.2.1 True and full information regarding the status of the business and financial condition of the Fund;

12.2.2 Promptly after becoming available, a copy of the Fund's federal, state and local income tax returns for each year;

12.2.3 A current list of the name and last known business, residence or mailing address of each Member and Manager;

12.2.4 A copy of this Agreement and the Articles of Organization and all amendments thereto, together with executed copies of any written powers of attorney pursuant to which this Agreement and any certificate and all amendments thereto have been executed; and

12.2.5 True and full information regarding the amount of cash and description and statement of the agreed value of any property or services contributed by each Member and which each Member has agreed to contribute in the future, and the date on which each became a Member.

12.2.6 Any information expressly required to be made available to a Member pursuant to the Act or any other applicable law.

12.3 Reports. To the extent that the Fund receives sufficient information from the Initial Project Entity, the Manager will cause the Fund, at the Fund's expense, to prepare selected, unaudited quarterly financial information and annual financial statements of the Fund, which annual financial statements may be audited in the Manager's discretion at the Fund's expense, provided that the Initial Project Entity's financial statements have also been audited with respect to such year. Copies of such statements shall be distributed to each Member within 45 days after the close of each fiscal quarter and 75 days after the close of each fiscal year of the Fund, respectively (or, with respect to audited financial statements, as soon as reasonably practicable after the close of the fiscal year, subject to receipt by the Fund of necessary information from the Initial Project Entity).

12.4 Tax Information. The Manager shall cause the Fund, at the Fund's expense, to prepare and timely file income tax returns for the Fund with the appropriate authorities, and shall use commercially reasonable efforts to cause all Fund information necessary in the preparation of the Members' individual income tax returns to be distributed to the Members not later than 120 days after the end of the Fund's fiscal year, subject to the Fund's receipt of necessary information from the Initial Project Entity.

13. Termination and Dissolution of the Fund.

13.1 Dissolution of the Fund. The Fund shall be dissolved, and its affairs wound up upon the earliest to occur of the following (each a "Dissolution Event"):

13.1.1 A determination by the Manager, with a Majority Vote, to terminate the Fund; or

13.1.2 The liquidation or other disposition of the Investment without the intention to reinvest the proceeds of such disposition in accordance with this Agreement; or

13.1.3 The termination of the legal existence of the last remaining member of the Fund or the occurrence of any other event which terminates the continued membership of the last remaining member of the Fund in the Fund unless the Fund is continued without dissolution in a manner permitted by this Agreement or the Act; or

13.1.4 The entry of a decree of judicial dissolution under the Act. Upon the occurrence of any event that the last remaining Member of the Fund to cease to be a member of the Fund (other than upon continuation of the Fund without dissolution upon an assignment by such Member of all of its limited liability company interest in the Fund and the admission of the transferee pursuant to Section 11.2), to the fullest extent permitted by law, the personal representative of such Member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such member in the Fund, agree in writing (i) to continue the Fund and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of the Fund, effective as of the occurrence of the event that terminated the continued membership of the last remaining member of the Fund or the last remaining Member in the Fund.

13.2 Events of Dissolution. Notwithstanding any provision hereof to the contrary to the extent permissible under applicable federal and state tax and other applicable law, a Majority Vote of the remaining Members is sufficient to continue the existence of the Fund upon the occurrence of either of the events set forth in Sections 13.1.3 or 13.1.4.

13.3 Restriction on Termination. Notwithstanding any other provision of this Agreement, the Bankruptcy of a Member shall not cause the dissolution of the Fund and upon the occurrence of such an event the Fund shall continue without dissolution.

13.4 Termination. The Fund shall terminate when (i) all of the assets of the Fund, after payment of or due provision for all debts, liabilities and obligations of the Fund shall have been distributed to the Members in the manner provided for in this Agreement and (ii) the Articles of Organization shall have been canceled in the manner required by the Act. The existence of the Fund as a separate legal entity shall continue until cancellation of the Articles of Organization as provided in the Act.

13.5 Liquidation of Assets. Upon a dissolution of the Fund, the Manager (or in case there is no Manager, the Members or Persons designated by a Majority Vote) shall take full account of the Fund assets and liabilities, shall liquidate the assets as promptly as is consistent with obtaining the fair market value thereof, and shall apply and distribute the proceeds therefrom in the following order:

13.5.1 To creditors in satisfaction of the liabilities of the Fund (whether by payment or the making of reasonable provision for payment thereof), including accrued fees payable to the Manager or its Affiliates;

13.5.2 To fund any appropriate reserves;

13.5.3 To the Members in an amount necessary to balance the Members' Capital Accounts to remove the effect of the Purchase Discount provided to certain Members in accordance with Section 3.1.7; and

13.5.4 To the Members and the Manager in accordance with Section 5.1 hereof.

13.6 Distributions Upon Dissolution. Each Member shall look solely to the assets of the Fund for all Distributions and its Capital Contributions, and shall have no recourse therefor (upon dissolution or otherwise) against any Manager or any Member.

13.7 Liquidation of Member's Interest. If there is a Liquidation of a Member's interest in the Fund, any liquidating Distribution pursuant to such Liquidation shall be made only to the extent of the positive Capital Account balance, if any, of such Member for the taxable year during which such Liquidation occurs after proper adjustments for allocations and Distributions for such taxable year up to the time of Liquidation. Such Distributions shall be made by the end of the taxable year of the Fund during which such Liquidation occurs, or if later, within 90 days after such Liquidation.

14. Special and Limited Power of Attorney.

14.1 Power of Attorney. Capital Square Glendale BFR Manager, LLC shall at all times during its term as the Manager have a special and limited power of attorney as the attorney-in-fact for each Member, with power and authority to act in the name and on behalf of each such Member to execute, acknowledge, and swear to in the execution, acknowledgment and filing of documents which are not inconsistent with the provisions of this Agreement and which may include, by way of illustration but not by limitation, the following:

14.1.1 This Agreement, as well as any amendments to this Agreement contemplated hereby and any amendments to the Articles of Organization which, under the laws of the Commonwealth of Virginia or the laws of any other state, are required to be filed or which the Manager shall deem it advisable to file;

14.1.2 Any other instrument or document that may be required to be filed by the Fund under the laws of any state or by any governmental agency or which the Manager shall deem it advisable to file;

14.1.3 Any instrument or document that may be required to effect the continuation of the Fund, the admission of Substituted Members, or the dissolution and termination of the Fund (provided such continuation, admission or dissolution and termination are in accordance with the terms of this Agreement);

14.1.4 Any operating agreement, partnership agreement, contract for purchase or sale of real estate or a real estate-related investment, and any deed, deed of trust, mortgage, or other instrument of conveyance or encumbrance, with respect to the Initial Project Entity and the Investment; and

14.1.5 Any and all other documents and instruments as the Manager may deem necessary or desirable to effect the purposes of this Agreement and carry out fully its provisions.

14.2 Provision of Power of Attorney. The special and limited power of attorney granted to the Manager:

14.2.1 Is a special power of attorney coupled with an interest, is irrevocable, shall survive the death, incapacity, termination or dissolution of the granting Member, and is limited to those matters herein set forth;

14.2.2 May be exercised by Capital Square Glendale BFR Manager, LLC in its capacity as Manager by and through one or more of the officers, managers or members of the Manager, for each of the Members by the signature of the Manager acting as attorney-in-fact for all of the Members, together with a list of all Members executing such instrument by their attorney-in-fact or by such other method as may be required or requested in connection with the recording or filing of any instrument or other document so executed; and

14.2.3 Shall survive an assignment by a Member of all or any portion of such Member's Investor Units except that, where the assignee of the Investor Units owned by the Member has been approved by the Manager for admission to the Fund as a Substituted Member, the special power of attorney shall survive such assignment for the sole purpose of enabling the Manager to execute, acknowledge and file any instrument or document necessary to effect such substitution.

14.3 Notice to Members. The Manager shall promptly furnish to a Member a copy of any amendment to the Agreement executed by the Manager pursuant to a power of attorney from the Member.

15. Relationship of this Agreement to the Act. Many of the terms of this Agreement are intended to alter or extend provisions of the Act as they may apply to the Fund or the Members. Any failure of this Agreement to mention or specify the relationship of such terms to provisions of the Act that may affect the scope or application of such terms shall not be construed to mean that any of such terms is not intended to be an operating agreement provision authorized or permitted by the Act or which in whole or in part alters, extends or supplants provisions of the Act as may be allowed thereby.

16. Amendment of Agreement.

16.1 Admission of Member. Amendments to this Agreement to reflect the admission of any Member or Substituted Member shall not, if in accordance with the terms of this Agreement, require the consent of any Member.

16.2 Amendments with Consent of Member. In addition to any amendments otherwise authorized herein, this Agreement may be amended by the Manager with a Majority Vote of the Members.

16.3 Amendments without Consent of the Members. In addition to the amendments authorized pursuant to Section 4.9 and Section 7.3.11 or otherwise authorized herein, the Manager may amend this Agreement, without the consent of any of the Members, to (i) change the name and/or principal place of business of the Fund, or (ii) decrease the rights and powers of the Manager (so long as such decrease does not impair the ability of the Manager to manage the Fund and conduct its business and affairs); provided, however, that no amendment shall be adopted pursuant to clause (i) or (ii) of this Section 16.3 unless the adoption thereof (A) is for the benefit of or not adverse to the interests of the Members, (B) is not inconsistent with Section 7, and (C) does not affect the limited liability of the Members or the status of the Fund as a partnership for federal income tax purposes.

16.4 Execution and Recording of Amendments. Any amendment to this Agreement shall be executed by the Manager on its own behalf and as attorney-in-fact for the Members, pursuant to the power of attorney contained in Section 14. After the execution of such amendment, the Manager shall also prepare and record or file any certificate or other document which may be required to be recorded or filed with respect to such amendment under the Act.

17. Miscellaneous.

17.1 Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one Agreement, binding on all of the parties hereto, notwithstanding that all of the parties are not signatory to the original or the same counterpart. A counterpart delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed counterpart. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. As used herein, electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a

party with the intent to sign such record, including facsimile, email, .pdf or DocuSign or other electronic signatures.

17.2 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective Members.

17.3 Severability. In the event any sentence or Section of this Agreement is declared by a court of competent jurisdiction to be void, such sentence or Section shall be deemed severed from the remainder of this Agreement and the balance of this Agreement shall remain in full force and effect.

17.4 Notices. All notices under this Agreement shall be in writing and shall be given to the Member entitled thereto, by personal service or by mail or electronic mail, posted to the address maintained by the Fund for such Person or at such other address as such Person may specify in writing.

17.5 Manager's Address. The name and address of the Manager is as follows:

Capital Square Glendale BFR Manager, LLC
c/o Capital Square Realty Advisors, LLC
10900 Nuckols Rd.
Suite 200
Glen Allen, VA 23060
Attn: Louis J. Rogers

17.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia (without regard to conflict of laws principles), where this Agreement is made and entered into.

17.7 Captions. Section titles or captions contained in this Agreement are inserted only as a matter of convenience and reference. Such titles and captions in no way define, limit, extend or describe the scope of this Agreement nor the intent of any provisions hereof.

17.8 Gender. Whenever required by the context hereof, the singular shall include the plural, and vice versa, the masculine gender shall include the feminine and neuter genders, and vice versa.

17.9 Time. Time is of the essence with respect to this Agreement.

17.10 Additional Documents. Each Member, upon the request of the Manager, shall perform any further acts and execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement, including, but not limited to, providing acknowledgment before a Notary Public of any signature made by a Member.

17.11 Descriptions. All descriptions referred to in this Agreement are expressly incorporated herein by reference as if set forth in full, whether or not attached hereto.

17.12 Binding Arbitration. Any controversy arising out of or related to this Agreement or the breach thereof or an investment in the Investor Units shall be settled by arbitration in Richmond, Virginia, in accordance with the rules of The American Arbitration Association ("AAA"), and judgment entered upon the award rendered may be enforced by appropriate judicial action. The arbitration panel shall consist of one member, which shall be the mediator if mediation has occurred or shall be a person agreed to by each party to the dispute within 30 days following notice by one party that such party desires that a matter be arbitrated. If there was no mediation and the parties are unable within such 30 day period to agree upon an arbitrator, then the panel shall be one arbitrator selected by the AAA, which arbitrator shall be experienced in the area of real estate and limited liability companies and who shall be knowledgeable with respect to the subject matter area of the dispute. The losing party shall bear any fees and expenses of

the arbitrator, other tribunal fees and expenses, reasonable attorney's fees of both parties, any costs of producing witnesses and any other reasonable costs or expenses incurred by the losing party or the prevailing party or such costs shall be allocated by the arbitrator. The arbitration panel shall render a decision within 30 days following the close of presentation by the parties of their cases and any rebuttal. The parties shall agree within 30 days following selection of the arbitrator to any prehearing procedures or further procedures necessary for the arbitration to proceed, including interrogatories or other discovery; provided, in any event each Member shall be entitled to discovery. This Section 17.12 shall be construed to the maximum extent possible to comply with the laws of the Commonwealth of Virginia. If, nevertheless, it shall be determined by a court of competent jurisdiction that any provision or wording of this Section 17.12, including any rules of the AAA shall be invalid or unenforceable under the laws of the Commonwealth of Virginia, such invalidity shall not invalidate all of this Section 17.12. In that case, this Section 17.12 shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of applicable law, and, in the event such term or provision cannot be so limited, this Section 17.12 shall be construed to omit such invalid or unenforceable provision.

17.13 Venue. Subject to the mandatory arbitration of disputes set forth in Section 17.12, any action relating to or arising out of this Agreement may be brought in a court of competent jurisdiction located in Richmond, Virginia.

17.14 Partition. The Members agree that the assets of the Fund are not and will not be suitable for partition. Accordingly, each of the Members hereby irrevocably waives (to the fullest extent permitted by law) any and all rights that such Member may have, or may obtain, to maintain any action for partition of any of the assets of the Fund.

17.15 Integrated and Binding Agreement. This Agreement, together with the related Subscription Agreement and any other written agreement between the Fund or the Manager, on behalf of the Fund, and any Member, shall constitute the entire agreement and understanding among all the parties hereto with respect to the subject matter hereof. The parties hereto acknowledge that, notwithstanding any other provision of this Agreement or the Subscription Agreement, the Manager, on its own behalf or on behalf of the Fund, without any act, consent or approval of any Member, may enter into side letters or other writings to or with one or more Members which have the effect of establishing rights under, or altering or supplementing the terms of, this Agreement or the Subscription Agreement with such Member(s) ("Side Letters"). The parties agree that any rights established, or any terms of this Agreement or the Subscription Agreement altered or supplemented, in a Side Letter to or with one or more Members shall govern with respect to such Member(s) notwithstanding any other provision of this Agreement or the Subscription Agreement, but shall not apply to or benefit any Members not parties to such Side Letter. This Agreement may be amended only as provided in this Agreement. Notwithstanding any other provision of this Agreement, the Members agree that this Agreement constitutes a legal, valid and binding agreement of the Members, and is enforceable against the Members by the Manager, in accordance with its terms. In addition, the Manager shall be an intended beneficiary of this Agreement.

17.16 Legal Counsel. Each Member acknowledges and agrees that counsel representing the Fund, the Manager and its Affiliates does not represent and shall not be deemed under the applicable codes of professional responsibility to have represented or to be representing any or all of the Members, other than the Manager, in any respect. In addition, each Member consents to the Manager hiring counsel for the Fund which is also counsel to the Manager or any of its Affiliates.

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The undersigned hereby agree, acknowledge, and certify that the foregoing constitutes the sole and entire Operating Agreement of the Fund.

MANAGER:

Capital Square Glendale BFR Manager, LLC,
a Virginia limited liability company

By: Capital Square Realty Advisors, LLC,
a Virginia limited liability company
Its: Member

By: _____
Name: _____
Title: _____

INITIAL MEMBERS:

Capital Square Glendale BFR Manager, LLC,
a Virginia limited liability company

By: Capital Square Realty Advisors, LLC,
a Virginia limited liability company
Its: Member

By: _____
Name: _____
Title: _____

Capital Square Realty Advisors, LLC,
a Virginia limited liability company

By: _____
Name: _____
Title: _____

MEMBERS:

All Members now and hereafter admitted, pursuant to the powers of attorney granted to the Manager:

Capital Square Glendale BFR Manager, LLC,
a Virginia limited liability company

By: Capital Square Realty Advisors, LLC,
a Virginia limited liability company
Its: Member

By: _____
Name: _____
Title: _____

EXHIBIT A
DEFINITIONS

"Act" shall mean the Virginia Limited Liability Company Act, as the same may be amended from time to time.

"Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts which the Member is obligated to restore and the Member's share of Member Minimum Gain and Fund Minimum Gain; and

(ii) Debit to such Capital Account the items described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6).

"Affiliate" shall mean (i) any Person directly or indirectly controlling, controlled by or under common control with another Person; (ii) a Person owning or controlling 10% or more of the outstanding voting securities of such other Person; (iii) any officer, director or partner of such other Person; and (iv) if such other Person is an officer, director or partner, any company for which such Person acts in any capacity.

"Agreement" shall mean this Operating Agreement, as amended from time to time.

"Articles of Organization" shall mean the Articles of Organization of the Fund as filed with the State Corporation Commission of the Commonwealth of Virginia as the same may be amended or restated from time to time.

"Bankruptcy" means, with respect to any Person, if such Person (i) makes an assignment for the benefit of creditors, (ii) files a voluntary petition in bankruptcy, (iii) is adjudged as bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (iv) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties, or (vii) if 120 days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within 90 days after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated.

"Benefit Plan Investor" means (a) an "employee benefit plan," as defined in Section 3(3) of ERISA, that is subject to Title I of ERISA, (b) a "plan" as defined in Section 4975 of the Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Code, (c) a trust for the benefit of one or more "employee benefit plans" or "plans" described in preceding clauses (a) or (b), or (d) an entity whose underlying assets are considered to include "plan assets" pursuant to the Plan Assets Regulation, by reason of investment in such entity by an "employee benefit plan" or "plan" described in preceding clauses (a) or (b).

"Book Gain" shall mean the excess, if any, of the fair market value of property over its adjusted basis for federal income tax purposes at the time a valuation of property is required under this Agreement or Treasury Regulations Section 1.704-1(b) for purposes of making adjustments to the Capital Accounts.

"Book Loss" shall mean the excess, if any, of the adjusted basis of property for federal income tax purposes over its fair market value at the time a valuation of property is required under this Agreement or Treasury Regulations Section 1.704-1(b) for purposes of making adjustments to the Capital Accounts.

"Book Value" shall mean the adjusted basis of property for federal income tax purposes increased or decreased by Book Gain, Book Loss, Built-In Gain and Built-In Loss as reduced by depreciation, amortization or other cost recovery deductions, or otherwise, based on such Book Value.

"Built-In Gain (or Loss)" shall mean the amount, if any, by which the agreed value of contributed property exceeds (or is lesser than) the adjusted basis of property contributed to the Fund by a Member immediately after its contribution by the Member to the capital of the Fund.

"Capital Account" with respect to any Member (or such Member's assignee) shall mean such Member's initial Capital Contribution adjusted as follows:

(i) A Member's Capital Account shall be increased by:

(a) such Member's share of Net Income;

(b) any income or gain specially allocated to a Member and not included in Net Income or Net Loss;

(c) any additional cash Capital Contribution made by such Member to the Fund; and

(d) the fair market value of any additional Capital Contribution consisting of property contributed by such Member to the capital of the Fund reduced by any liabilities assumed by the Fund in connection with such contribution or to which the property is subject.

(ii) A Member's Capital Account shall be reduced by:

(a) such Member's share of Net Loss;

(b) any deduction specially allocated to a Member and not included in Net Income or Net Loss;

(c) any cash Distribution made to such Member; and

(d) the fair market value, as agreed to by the Manager and the Members pursuant to a Majority Vote, of any property (reduced by any liabilities assumed by the Member in connection with the Distribution or to which the distributed property is subject) distributed to such Member; provided that, upon liquidation and winding up of the Fund, unsold property will be valued for Distribution at its fair market value and the Capital Account of each Member before such Distribution shall be adjusted to reflect the allocation of gain or loss that would have been realized had the Fund then sold the property for its fair market value. Such fair market value shall not be less than the amount of any nonrecourse indebtedness that is secured by the property.

Properties other than money may not be contributed to the Fund except as specifically provided in this Agreement. Properties of the Fund may not be revalued for purposes of calculating Capital Accounts

unless the Manager and the Members pursuant to a Majority Vote agree on the fair market value of the property and the Fund complies with the requirements of Treasury Regulations Section 1.704-1(b)(2)(iv)(f) and (g); provided, however, for purposes of calculating Book Gain or Book Loss (but not for purposes of adjusting Capital Accounts to reflect the contribution and distribution of such property), the fair market value of property shall be deemed to be no less than the outstanding balance of any nonrecourse indebtedness secured by such properties.

The Capital Account of a Substituted Member shall include the Capital Account of the transferor. Notwithstanding anything to the contrary in this Agreement, the Capital Accounts shall be maintained in accordance with Treasury Regulations Section 1.704-1(b). References in this Agreement to the Treasury Regulations shall include corresponding subsequent provisions.

"Capital Contribution" shall mean the gross amount invested in the Fund by a Member and shall be equal in amount to the cash purchase price paid by such Member for the Investor Units sold to such Member by the Fund, subject to Section 3.1.7. In the plural, "Capital Contributions" shall mean the aggregate amount invested by all of the Members in the Fund and shall equal, in total, the sum of the amount attributable to the purchase of Investor Units (following return of the Initial Member Capital Contributions as provided in Section 3.1.1).

"Capital Transaction" shall mean any financing, refinancing, sale, exchange, or other disposition or condemnation of, or casualty to, the Investment.

"Cash from Capital Transactions" shall mean the net cash realized by the Fund from any Capital Transaction after payment of all cash expenditures of the Fund, including, but not limited to, all fees payable to the Manager or Affiliates, all payments of principal and interest on indebtedness, such reserves and retentions as the Manager reasonably determines to be necessary and desirable in connection therewith and reinvestment of any such net cash consistent with the Memorandum or this Agreement, in the sole and absolute discretion of the Manager.

"Cash from Operations" shall mean the net cash realized by the Fund from any source other than a Capital Transaction, after payment of all cash expenditures of the Fund, including, but not limited to, all operating expenses including all fees payable to the Manager or Affiliates, all payments of principal and interest on indebtedness, expenses for repairs and maintenance, capital improvements and replacements, such reserves and retentions as the Manager reasonably determines to be necessary and desirable in connection with Fund operations with its then existing assets and any anticipated acquisitions and reinvestment of any such net cash consistent with the Memorandum, in the sole and absolute discretion of the Manager.

"Code" shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequently enacted federal revenue laws.

"Designated Individual" shall have the meaning set forth in Section 7.7.1.

"Distributable Cash" shall mean all cash received by the Fund relating to the Investment (including Cash from Capital Transactions and Cash from Operations, but excluding for the avoidance of doubt Capital Contributions), including income, dividends, distributions, interest and proceeds from the disposition of the Investment and any other miscellaneous receipts or revenues of the Fund related directly to the Investment, to the extent that such cash exceeds the amounts determined by the Manager to be necessary or advisable for the payment of the Fund's expenses, liabilities and other obligations (whether fixed or contingent), for the establishment of appropriate reserves for such expenses, liabilities and obligations as may arise, including the maintenance of adequate working capital for the continued conduct of the Fund's business, and for reinvestments of proceeds into the Investment.

"Distribution" shall refer to any money or other property transferred without consideration (other than repurchased Investor Units) to Members with respect to their Investor Units in the Fund, but shall not include any payments to the Manager pursuant to Section 6.

"Equity Placement Fee" shall have the meaning set forth in Section 6.1.3.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

"Final Closing" means the date of the last sale of the Investor Units.

"Fund" shall refer to Capital Square Glendale BFR, LLC.

"Fund Minimum Gain" shall mean "partnership minimum gain" as set forth in Treasury Regulations Section 1.704-2(d).

"Initial Closing" shall mean the date of the first sale of the Investor Units.

"Initial Members" shall, subject to Section 3.1.1, refer to Capital Square Glendale BFR Manager, LLC, in its capacity as a member of the Fund, and Capital Square Realty Advisors, LLC, a Virginia limited liability company.

"Initial Member Capital Contribution" shall have the meaning set forth in Section 3.1.1.

"Initial Project Entity" shall mean CS Sunstone Two Tree BTR, LLC, a Delaware limited liability company, which has been formed to be the owner of the Property Owner, which is a disregarded special purpose entity that owns the initial Investment.

"Investment" shall initially mean that certain "build-for-rent" single-family rental community, comprising 320 Class A units, with an average unit size of 1,384 square feet, on approximately 29 acres at the intersection of Northern Parkway and North Sarival Avenue in Glendale, Arizona, and any subsequent interest in improved or unimproved real property acquired or held by the Fund, and including the Fund's direct or indirect interest therein.

"Investment Oversight Fee" shall have the meaning set forth in Section 6.1.4.

"Investor Unit" shall represent an interest in the Fund entitling the owner of the Investor Unit if admitted as a Member to the respective voting and other rights afforded to a Member holding an Investor Unit, and affording to such Member a share in Net Income, Net Loss and Distributions as provided for in this Agreement.

"JV Agreement" shall mean the limited liability company agreement of the Initial Project Entity, as amended from time to time.

"Liquidation" means in respect to the Fund the earlier of the date upon which the Fund is terminated under Section 708(b)(1) of the Code or the date upon which the Fund ceases to be a going concern (even though it may exist for purposes of winding up its affairs, paying its debts and distributing any remaining balance to its Members), and in respect of a Member where the Fund is not in Liquidation means the date upon which occurs the termination of the Member's entire interest in the Fund by means of a distribution or the making of the last of a series of Distributions (whether or not made in more than one year) to the Member by the Fund.

"Majority Vote" shall mean the vote of more than 50% of the Investor Units entitled to vote. Members shall be entitled to cast one vote for each Investor Unit they own, and a fractional vote for each fractional Investor Unit they own.

"Management Fee" shall have the meaning set forth in Section 6.1.1.

"Manager" means the Persons designated as managers of the Fund from time to time. The initial manager of the Fund is Capital Square Glendale BFR Manager, LLC, a Virginia limited liability company. A Manager is hereby designated as a "manager" of the Fund within the meaning of Section 13.1-1024 of the Act.

"Member" shall mean any holder of an Investor Unit who is admitted to the Fund as a Member, in such Person's capacity as a member of the Fund.

"Member Minimum Gain" shall mean "partner nonrecourse debt minimum gain" as determined under Treasury Regulations Section 1.704-2(i)(3).

"Member Nonrecourse Debt" shall mean "partner nonrecourse debt" as set forth in Treasury Regulations Section 1.704-2(b)(4).

"Member Nonrecourse Deductions" shall mean "partner nonrecourse deductions," as set forth in Treasury Regulations Section 1.704-2(i), and the amount thereof shall be determined as set forth in Treasury Regulations Section 1.704-2(i).

"Membership Interest" shall mean a Member's entire limited liability company interest in the Fund including such Member's interest in the Net Income, Net Loss and Distributions of the Fund and such voting and other rights and privileges that the Member may enjoy by being a Member.

"Memorandum" shall mean the Fund's Confidential Private Placement Memorandum for the sale of the Investor Units, to be dated on or about July 26, 2023, as amended or supplemented from time to time.

"Net Capital Contribution" of any Member shall be equal to the excess, if any, of (i) the aggregate Capital Contributions of such Member based on $1,000 per Investor Unit over (ii) the aggregate Distributions from Cash from Capital Transactions to such Member.

"Net Income" or "Net Loss" shall mean, respectively, for each taxable year of the Fund the taxable income and taxable loss (exclusive of Built-In Gain or Loss) of the Fund as determined for federal income tax purposes in accordance with Section 703(a) or the Code (including all items of income, gain, loss, or deduction required to be separately stated pursuant to Section 703(a)(1) of the Code) (other than any specific item of income, gain (exclusive of Built-In Gain), loss (exclusive of Built-In Loss), deduction or credit subject to special allocation under this Agreement), with the following modifications:

(i) The amount determined above shall be increased by any income exempt from federal income tax;

(ii) The amount determined above shall be reduced by any expenditures described in Section 705(a)(2)(B) of the Code or expenditures treated as such pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(i);

(iii) Depreciation, amortization and other cost recovery deductions shall be computed based on Book Value instead of on the amount determined in computing taxable income or loss. Any item of deduction, amortization or cost recovery specially allocated to a Member and not included in Net Income or Net Loss shall be determined for Capital Account purposes in a similar manner; and

(iv) For purposes of this Agreement, Book Gain and Book Loss attributable to a revaluation of property attributable to unrealized gain or loss in such property shall be treated as Net Income and Net Loss.

"Nonrecourse Debt" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(3).

"Nonrecourse Deductions" shall have the meaning, and the amount thereof shall be, as set forth in Treasury Regulations Section 1.704-2(c).

"Offering" shall mean the offering and sale of the Investor Units made in accordance with the provisions of Section 3.1.2.

"Organization and Offering Expenses" shall mean all expenses incurred in connection with the organization and formation of the Fund and any Project Entity, the preparation of the Offering materials, and the marketing and sale of the Investor Units, including but not limited to legal, accounting, tax planning fees, promotional fees or expenses, filing and recording fees (including without limitation federal securities and state "blue sky" filings), market research and surveys, property inspections and research, engineering services, printing costs, securities sales commissions, travel expenses and other costs or expenses incurred in connection therewith.

"Partnership Representative" shall have the meaning set forth in Section 7.7.1.

"Partnership Tax Audit Rules" shall have the meaning set forth in Section 7.7.1.

"Person" shall mean any natural person or entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so admits.

"Plan Assets Regulation" means the regulations of the U.S. Department of Labor at 29 CFR Section 2510.3-101, as modified by Section 3(42) of ERISA.

"Prime Rate" shall mean the reference rate announced from time-to-time by the Wall Street Journal, and changes in the Prime Rate shall be deemed to occur at the end of each calendar month.

"Project" shall have the meaning given to it in the Memorandum.

"Project Entity" shall mean the Initial Project Entity and any other Person, joint venture or co-investment arrangement through which the Fund holds all or any portion of an Investment.

"Property Owner" shall mean Northern Parkway BTR, LLC, a Delaware limited liability company.

"Regulatory Allocations" shall mean the allocations set forth in Sections 4.2(a) through (g).

"Securities Act" shall have the meaning set forth in Section 7.8.2.

"Selling Commissions and Expenses" shall mean a (i) selling commission of up to 6.5% of the gross proceeds raised in the Offering ("Gross Proceeds"), (ii) a marketing and due diligence allowance of up to 2.5% of the Gross Proceeds payable to broker-dealers engaged by the Fund to act as the selling group for the sale of Investor Units for the Offering pursuant to the Memorandum, a portion of which may be paid out of the Organization and Offering Expense Allowance payable to the Manager or an affiliate if elected by such Manager or such affiliate, as the case may be, in its sole discretion, (iii) a managing broker-dealer fee of up to 0.5% of the Gross Proceeds to the managing broker-dealer in the Offering, and (iv) a wholesaling fee of up to 1.0% of the Gross Proceeds paid to wholesalers for the Offering.

"Subscription Agreement" means the agreement, in the form as may be attached to the Memorandum, by which each Person desiring to become a Member shall evidence (i) the number of Investor Units which such Person wishes to acquire and (ii) such Person's agreement to become a party to, and be bound by the provisions of, this Agreement and (iii) certain representations regarding the Person's finances and investment intent.

"Subscription Payment" shall mean the cash payment that must accompany each subscription for Investor Units sold through the Offering.

"Substituted Member" shall mean any Person admitted as a substituted Member pursuant to this Agreement.

"Tax Payment" shall have the meaning set forth in Section 4.11.1.

"Temporary Investments" shall mean investments of the net proceeds of the Offering in AAA-rated, short-term investments pending an Investment.

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EXHIBIT B

FORM OF SUBSCRIPTION AGREEMENT

CAPITAL SQUARE GLENDALE BFR, LLC
INSTRUCTIONS TO INVESTORS AND SUBSCRIPTION AGREEMENT

Capital Square Glendale BFR, LLC, a Virginia limited liability company (the "Fund"), is offering Investor Units (the "Investor Units") in the Fund for a minimum subscription amount of $100,000 (100 Investor Units), subject to the right of Capital Square Glendale BFR Manager, LLC, a Virginia limited liability company (the "Manager"), the Fund's manager, to accept subscriptions for lesser amounts in its sole discretion. The Investor Units are offered pursuant to that certain Confidential Private Placement Memorandum of the Fund dated as of July 26, 2023, as may be amended or supplemented (the "Memorandum"). Capitalized terms used but not defined in these Instructions to Investors and Subscription Agreement (the "Subscription Agreement") shall have the meanings ascribed to them in the Memorandum.

Each Investor Unit is being offered at an investment cost of $1,000 (the "Investment Cost"). The Fund is seeking to raise up to $49,375,000 of Investor Units (the "Maximum Offering Amount"), provided that the Manager may increase the Maximum Offering Amount to up to $56,782,000 in its sole discretion. There is no minimum or maximum amount of Investor Units that must be sold and the Manager may terminate the Offering at any time in its sole discretion.

The Fund has entered into an agreement with WealthForge Securities, LLC, a Virginia limited liability company and a broker-dealer registered with the SEC, Financial Industry Regulatory Authority, Inc. and other necessary state or other regulators (the "Broker"), to provide execution and other services relating to this offering. In order to subscribe to invest in Investor Units, prospective investors are required to complete in full this Subscription Agreement and the documents referenced in it, in accordance with the following instructions:

- Investor's Name and Contact Information; Subscription Amount for Investor Units Subscribed For. Please provide the name and contact information of the individual or entity that wants to subscribe for Investor Units (the "Investor") and the subscription amount for the Investor Units ($1,000 per Investor Unit) that the Investor wants to subscribe for in the spaces in the "Investor and Subscription Information" section on the following page.

- Accredited Investor Representations. Only "accredited investors," as that term is defined in Rule 501(a) under the Securities Act of 1933, as amended, are eligible to invest in Investor Units. Please initial on the line or lines in Section 1 of this Subscription Agreement, if any, that correctly state why the Investor is an accredited investor. Please deliver such information requested by Broker regarding the Investor's status as an "accredited investor," so that the Broker may deliver certification of such Investor's accredited status to the Fund prior to Close (as defined below).

- Operating Agreement. The terms and conditions of the Investor Units are governed by the Operating Agreement of the Fund attached as an exhibit to the Memorandum (the "Operating Agreement"). **Please read the Operating Agreement carefully and in full. By signing and delivering this Subscription Agreement, the Investor will agree to be bound by the Operating Agreement.**

- IRS Forms. Please complete and sign IRS Form W-9 (Section IV) or, if applicable, the applicable type of IRS Form W-8, to certify your taxpayer identification number and status.

- Payment of Subscription Amount. Subscription Amounts may be paid by check, wire transfer or ACH transfer in accordance with the instructions set forth in the Memorandum and in the attached Investor Questionnaire & Subscription Agreement Instructions. Investors must include their name on the wire transfer or ACH transfer.

- Signing and Delivery. Please sign this Subscription Agreement as and where indicated and return it, together with the signed W-9, to the Broker at: WealthForge Securities, LLC, 3015 W. Moore Street, Suite 102, Richmond, Virginia 23230, Reference: "Capital Square Glendale BFR, LLC." Note: Faxed or PDF of the Subscription Agreement and supporting documents are initially preferred in order to expedite processing, c/o WealthForge at fax number (804) 308-0437, or e-mail address investorservices@wealthforge.com.

- Escrow. All payments received for the purchase of Investor Units will be held in an escrow account (the "Escrow Account") with SouthState Bank, N.A. (the "Escrow Agent") until the Fund shall have accepted the applicable Investor's signed Subscription Agreement. There is no minimum contingency in the Offering.

ALL SUBSCRIPTIONS ARE SUBJECT TO REVIEW BY THE FUND, AND THE FUND MAY IN ITS DISCRETION ACCEPT OR REJECT ANY SUBSCRIPTION IN WHOLE OR IN PART. THIS SUBSCRIPTION AGREEMENT WILL NOT BIND THE FUND, AND THE FUND WILL NOT BE REQUIRED TO ISSUE INVESTOR UNITS TO ANY INVESTOR, UNLESS AND UNTIL THIS SUBSCRIPTION AGREEMENT IS SIGNED AND DELIVERED ON BEHALF OF THE FUND.

SUBSCRIPTION AGREEMENT, dated as of _____, 20_____ (to be determined by the Fund), between the Capital Square Glendale BFR, LLC, a Virginia limited liability company (the "Fund"), and the investor set out in the "Investor and Subscription Information" section of this Subscription Agreement (the "Investor").

PREAMBLE

The Investor wants to purchase from the Fund, and the Fund desires to issue to the Investor, Investor Units in the Fund on the terms and conditions set out in this Subscription Agreement.

ACCORDINGLY, the parties to this Subscription Agreement hereby agree as follows:

Section 1. Defined Terms. Capitalized terms not otherwise defined herein or in the Memorandum have the meanings ascribed to them below:

(a) "Close" means that all of the following has occurred in full:

(i) The Fund has received proceeds from the Investor in the amount designated in the Investor and Subscription Information section of this Subscription Agreement;

(ii) The Broker has performed all necessary due diligence to certify the Investor is an "accredited investor," as that term is defined in Rule 501(a) of Regulation D under the Securities Act, and Broker has delivered certification of such Investor's status as an "accredited investor" to the Fund;

(iii) The Investor has signed this Subscription Agreement, which also constitutes the Investor's signing of the Operating Agreement, thereby binding the Investor to all of the provisions of the Operating Agreement binding upon the Members; and

(iv) The Fund has accepted this Subscription Agreement.

(b) "Governmental Entity" means any federal, state, local or foreign political subdivision, court, administrative agency, commission, department or other authority or instrumentality.

(c) "Law" means any law, statute, treaty, rule, directive or regulation or order of any Governmental Entity.

(d) "Member" has the meaning set out in the Operating Agreement.

(e) "Person" shall be construed broadly and means an individual or an entity of any kind, including a Governmental Entity.

(f) "Securities Act" means the United States Securities Act of 1933, as amended.

Section 2. Subscription and Issuance; Joinder to Operating Agreement; Transfer Restrictions.

(a) The Investor hereby subscribes for, and shall purchase, Investor Units for the subscription amount set out in the "Investor and Subscription Information" section of this Subscription Agreement (the "Securities"), payable to the Fund concurrently with the Investor's signing and delivery of this Subscription Agreement by check, wire transfer or ACH transfer in accordance with the instructions set forth in the Memorandum.

(b) The Investor hereby represents and warrants that the Investor has carefully read and is familiar with the Operating Agreement.

(c) The Investor's signing of this Subscription Agreement constitutes the Investor's signing of the Operating Agreement, and the Investor shall be bound by all of the provisions of the Operating Agreement binding upon the Members upon acceptance of the Subscription Agreement by the Fund.

(d) The Investor's mailing address, email address and telephone number, which will be the Investor's initial contact information for notices under the Operating Agreement, is set out in Section II or Section II(b), as applicable, of this Subscription Agreement. The Investor's street address, which is the primary location at which the Investor is located, is also set out in Section II or Section II(b), as applicable, of this Subscription Agreement.

(e) The Investor understands and acknowledges that the Securities have not been and will not be registered under the Securities Act, U.S. state securities Laws or the securities Laws of any other jurisdiction, and the Fund is issuing the Securities to the Investor in reliance on Rule 506(c) of Regulation D under the Securities Act or another exemption or exclusion from the registration requirement of the Securities Act. The Fund will rely on the truth and accuracy of the Investor's representations, warranties and acknowledgments in this Subscription Agreement for purposes of determining the availability of that exemption or exclusion and exemptions or exclusions under the applicable Laws of other jurisdictions.

(f) The Investor acknowledges that the Securities will be "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act. Accordingly, if, in the future, the Investor decides to offer, resell, pledge or otherwise transfer the Securities, it shall not offer, resell, pledge or otherwise transfer the Securities, directly or indirectly, except: (i) to the Fund, (ii) in accordance with Rule 144 or Rule 144A under the Securities Act, if available, or (iii) in accordance with another exemption from registration under the Securities Act and, in each case, in accordance with any applicable state securities laws of the United States and in accordance with the Operating Agreement, including the restrictions on transfers of the Securities set out in Section 11 of the Operating Agreement, which may be more restrictive than the restrictions under applicable Law. Accordingly, absent registration, under the rules of the United States Securities and Exchange Commission, the Investor may be required to hold the Securities indefinitely or to transfer the Securities in "private placements" that are exempt from registration under the Securities Act, in which event the transferee will acquire "restricted securities" subject to the same limitations as in the hands of the Investor. The Investor acknowledges that, as a consequence, it must bear the economic risks of the investment in the Securities for an indefinite period of time.

(g) The Investor hereby acknowledges that the Securities will not be represented by certificates, and that the Investor's ownership of the Securities will be evidenced solely by a book entry in the Fund's ownership records.

Section 3. Representations and Warranties of the Investor.

(a) The Investor is acquiring the Securities for the Investor's own account, and not with a view to, or for, resale or distribution in violation of the Securities Act, the securities Laws of any U.S. state or the securities Laws of any other applicable jurisdiction. No Person has a direct or indirect beneficial interest in the Securities to be issued to the Investor under this Subscription Agreement and, other than the Operating Agreement, the Investor does not have any contract, understanding, agreement or arrangement with any Person to sell, assign, transfer or otherwise dispose of any the Securities to any Person.

(b) The Investor is an "accredited investor," as that term is defined in Rule 501(a) of Regulation D under the Securities Act.

(c) The Investor understands that no Governmental Entity, including the U.S. Securities and Exchange Commission or the securities commission or authorities of any other jurisdiction, has approved or disapproved the Securities, passed upon or endorsed the merits of the offering of the Securities, or made any finding or determination as to the fairness of the Securities to investors.

(d) The Investor has full power and authority to enter into, execute, deliver, and perform the Investor's obligations under this Subscription Agreement and the Operating Agreement, and those agreements, when signed and delivered by or on behalf of the Investor, are or will be the legal and binding obligations of the Investor, enforceable against the Investor in accordance with their terms.

(e) Except as disclosed in the Memorandum, no Person acting on behalf of or under the authority of the Investor is or will be entitled to any broker's, finder's, or similar fee or commission in connection with the purchase of the Securities.

(f) The Investor has been encouraged to rely upon the advice of the Investor's legal counsel and accountants or other financial advisors with respect to the tax and other considerations relating to the Investor's acquisition of the Securities and the other transactions contemplated by this Subscription Agreement. The Investor has been offered, during the course of discussions concerning the transactions contemplated by this Subscription Agreement, the opportunity to ask such questions and inspect such documents concerning the Fund and its business and affairs as the Investor has requested, so as to understand more fully the nature of the Investor's investment in the Fund and to verify the accuracy of the information supplied.

(g) The Investor has such knowledge of, and experience in, financial and business matters as to be capable of (A) evaluating the merits and risks of, and bearing the economic risks entailed by, an investment in the Fund and (B) protecting his, her or its interests in connection with that investment. The Investor acknowledges that an investment in the Fund involves a high degree of risk.

(h) The Investor understands that the Securities are, and will remain, illiquid. The Investor has reviewed his, her or its financial condition and commitments, and discussed those matters with advisors to the extent that the Investor considers necessary. Based on that review, the Investor is satisfied that he, she or it (A) has adequate means of providing for his, her or its financial needs without selling, transferring or otherwise disposing of any of the Securities and (B) is capable of bearing the economic risk of (i) investing in the Securities for an indefinite period of time and (ii) the possible loss of all or part of the Investor's investment in the Securities.

(i) Investor agrees to indemnify, defend and hold harmless, the Fund, the Manager, the Broker, and all of their respective members, shareholders, officers, managers, directors, affiliates and advisors from any and all damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) that they may incur by reason of Investor's failure to fulfill all of the terms and conditions of this Subscription Agreement or by reason of the untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents Investor has furnished to any of the foregoing in connection with this transaction. This indemnification includes, but it not limited to, any damages, losses, liabilities, costs and expenses (including reasonable attorneys' fees) incurred by the Fund, the Manager, the Broker, and all of their respective members, shareholders, officers, managers, directors, affiliates or advisors defending against any alleged violation of federal or state securities laws that is based upon or related to any untruth or inaccuracy of any of the representations, warranties or agreements contained herein or in any other documents Investor has furnished in connection with this transaction.

(j) Investor has completed the Bad Actor Addendum attached hereto as Attachment A (the "Bad Actor Addendum"). Investor agrees to affirm in writing or deliver an updated Bad Actor Addendum from time to time upon request from the Fund.

(k) Investor shall complete, concurrent with the execution and delivery of the Bad Actor Addendum, an irrevocable proxy granting the Manager the right to vote any and all Investor Units held by such Investor (the "Bad Actor Proxy") upon the effectiveness of the Bad Actor Proxy. A Bad Actor Proxy shall become effective at such time as such Investor becomes subject to a "disqualification event" as described in Rule 506(d) of Regulation D. Once effective, a Bad Actor Proxy shall remain in effect until the date upon which the applicable Investor is no longer subject to any disqualification event.

(l) Investor represents and warrants that he/she/it has delivered to the Broker that certain information and due diligence to verify investor's status as an accredited investor, as required by Rule 506(c) of Regulation D. Investor acknowledges that Investor will not be permitted to subscribe until the Broker has delivered certification of the Investor's accredited status to the Fund.

(m) Investor has received, read and fully understands the Fund's Memorandum and is basing his/her/its decision to invest solely on the information contained in the Memorandum. Investor has relied only on the information contained in the Memorandum and has not relied on any representations made by any other Person. The Memorandum does not purport to satisfy the "prospectus" requirements that would apply if the offering of the Securities were a "public offering" within the meaning of the Securities Act or to otherwise satisfy standards of disclosure and transparency generally associated with such requirements.

(n) Investor represents that neither, he/she/it nor any subsidiary, affiliate, owner, shareholder, partner, member, indemnitor, guarantor or related person or entity: (a) is a Sanctioned Person (as defined below); (b) has more than 15% of its assets in Sanctioned Countries (as defined below); or (c) derives more than 15% of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Countries. For purposes of the foregoing, a "Sanctioned Person" means: (a) a person named on the list of "specially designated nationals" or "blocked persons" maintained by the U.S. Office of Foreign Assets Control ("*OFAC*") at *http://www.treas.gov/offices/eotffc/ofac/*, or as otherwise published from time to time, or (b) (i) an agency of the government of a Sanctioned Country, (ii) an organization controlled by a Sanctioned Country, or (iii) a person resident in a Sanctioned Country, to the extent subject to a sanctions program administered by OFAC. A "Sanctioned Country" shall mean a country subject to a sanctions program identified on the list maintained by OFAC and available at *http://www.treas.gov/offices/eotffc/ofac/*, or as otherwise published from time to time.

(o) The Investor understands that the Fund is relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgements and understandings set out in this Subscription Agreement in order to determine the suitability of the Investor to acquire the Securities.

(p) The foregoing representations, warranties and agreements shall survive the Close.

Section 4. Further Assurances.

The Investor shall, at the request of the Fund, do, execute, acknowledge and deliver, and cause to be done, executed, acknowledged or delivered, all such further acts, deeds, instruments, documents or assurances as the Fund may reasonably require from the Investor to consummate the issuance of the Securities as contemplated by this Subscription Agreement.

Section 5. Miscellaneous.

(a) No Third Party Beneficiaries. This Subscription Agreement shall not confer any rights or remedies upon any Person other than the parties to this Subscription Agreement and their respective successors and permitted assigns.

(b) Entire Agreement. This Subscription Agreement and the Operating Agreement contain the entire agreement among the parties with respect to the transactions contemplated by this Subscription Agreement and supersede all prior agreements and understandings, whether written or oral, among the parties with respect thereto.

(c) Successors and Assigns. All of the terms and provisions of this Subscription Agreement shall be binding upon and inure to the benefit of the parties to this Subscription Agreement and their successors and permitted assigns. The Investor shall not assign this Subscription Agreement without the prior written consent of the Fund.

(d) Amendment; Waiver. This Subscription Agreement shall not be altered or otherwise amended except by an instrument in writing executed and delivered by the parties to be bound thereby. No obligation owed to any party shall be waived except by means of a writing signed by that party. No waiver by any party of any default, misrepresentation or breach of any representation, warranty, covenant or agreement under this Subscription Agreement, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of any representation, warranty, covenant or agreement under this Subscription Agreement or affect in any way any rights arising as a result of any prior or subsequent such occurrence.

(e) Fees and Expenses. The prevailing party in any dispute under this Subscription Agreement or related to the transactions contemplated by this Subscription Agreement shall be entitled to recover from the non-prevailing party the reasonable fees and expenses payable by the prevailing party to its attorneys, accountants and other professionals in connection with that dispute. Except as provided in the immediately preceding sentence, each party shall pay its own fees and expenses incurred in connection with this Subscription Agreement and the transactions contemplated by this Subscription Agreement.

(f) Governing Law. This Subscription Agreement, all matters concerning the construction, interpretation or validity of this Subscription Agreement, all claims or causes of action (whether in contact or tort) that may be based upon, arise out of or relate to this Subscription Agreement or the negotiation, execution or performance of this Subscription Agreement and all matters otherwise concerning this Subscription Agreement or the transactions contemplated by this Subscription Agreement shall be governed by, and construed and enforced in accordance with, the Laws of the Commonwealth of Virginia, without giving effect to any choice or conflict of Law provision or rule, whether in the Commonwealth of Virginia or any other jurisdiction, that would cause the Laws of any jurisdiction other than the Commonwealth of Virginia to apply.

(g) Binding Arbitration. Any controversy arising out of or related to this Subscription Agreement or the breach thereof or an investment in the Securities shall be settled by arbitration in Richmond, Virginia, in accordance with the rules of The American Arbitration Association ("AAA"), and judgment entered upon the award rendered may be enforced by appropriate judicial action. The arbitration panel shall consist of one member, which shall be the mediator if mediation has occurred or shall be a person agreed to by each party to the dispute within 30 days following notice by one party that he desires that a matter be arbitrated. If there was no mediation and the parties are unable within such 30 day period to agree upon an arbitrator, then the panel shall be one arbitrator selected by the AAA, which arbitrator shall be experienced in the area of real estate and limited liability companies and who shall be knowledgeable with respect to the subject matter area of the dispute. The losing party shall bear any fees and expenses of the arbitrator, other tribunal fees and expenses, reasonable attorney's fees of both parties, any costs of producing witnesses and any other reasonable costs or expenses incurred by him or the prevailing party or such costs shall be allocated by the arbitrator. The arbitration panel shall render a decision within 30 days following the close of presentation by the parties of their cases and any rebuttal. The parties shall agree within 30 days following selection of the arbitrator to any prehearing procedures or further procedures necessary for the arbitration to proceed, including interrogatories or other discovery; provided, in any event each Member shall be entitled to discovery. This Section 5(g) shall be construed to the maximum extent possible to comply with the laws of the Commonwealth of Virginia. If, nevertheless, it shall be determined by a court of competent jurisdiction that any provision or wording of this Section 5(g), including any rules of the AAA shall be invalid or unenforceable under the laws of the

Commonwealth of Virginia, such invalidity shall not invalidate all of this Section 5(g). In that case, this Section 5(g) shall be construed so as to limit any term or provision so as to make it valid or enforceable within the requirements of applicable law, and, in the event such term or provision cannot be so limited, this Section 5(g) shall be construed to omit such invalid or unenforceable provision.

(h) Jurisdiction; Venue. Subject to the mandatory arbitration of disputes set forth in Section 5(g) above, any action relating to or arising out of this Subscription Agreement may be brought in a court of competent jurisdiction located in Richmond, Virginia.

(i) Interpretation; Construction. The exhibits identified in this Subscription Agreement are incorporated in this Subscription Agreement by reference and made an integral part of this Subscription Agreement. "Subscription Agreement" means this agreement together with all exhibits to this Subscription Agreement, as the same may from time to time be amended, modified, supplemented or restated in accordance with the terms of this Subscription Agreement. The use in this Subscription Agreement of the term "including" or "includes" means "including, or includes, without limitation." The words "herein," "hereof," "hereunder," "hereby," "hereto," "hereinafter" and other words of similar import refer to this Subscription Agreement as a whole, including the exhibits, as the same may from time to time be amended, modified, supplemented or restated, and not to any particular section, subsection, paragraph, subparagraph or clause contained in this Subscription Agreement. All references to sections, subsections, clauses, paragraphs, schedules and exhibits mean those provisions of this Subscription Agreement and the exhibits attached to this Subscription Agreement, except where otherwise stated. The title of and the article, section and paragraph headings in this Subscription Agreement are for convenience of reference only and shall not govern or affect the interpretation of any of the terms or provisions of this Subscription Agreement. The use herein of the masculine, feminine or neuter forms shall also denote the other forms, as in each case the context may require. The term "or" is not exclusive.

(j) Severability. Subject to Section 5(f), the parties want the provisions of this Subscription Agreement to be enforced to the fullest extent permissible under applicable Law and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any provision of this Subscription Agreement would be held in any jurisdiction to be invalid, prohibited or unenforceable for any reason, that provision, as to that jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Subscription Agreement or affecting the validity or enforceability of that provision in any other jurisdiction. Notwithstanding the foregoing, if that provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in that jurisdiction, it shall, as to that jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Subscription Agreement or affecting the validity or enforceability of that provision in any other jurisdiction.

(k) Counterparts; Facsimile and Electronic Signatures. This Subscription Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument. Facsimile and electronic counterpart signatures to this Subscription Agreement shall be valid and binding.

* * *

CAPITAL SQUARE GLENDALE BFR, LLC

INVESTOR QUESTIONNAIRE & SUBSCRIPTION AGREEMENT INSTRUCTIONS

In order to complete the closing of this transaction, please provide the following information regarding your desired investment:

NAME OF INVESTOR: _____

PURCHASE AMOUNT (Amount of Investment): $_____

$100,000 minimum investment inclusive of any sales commissions, dealer manager fees and non-accountable marketing and diligence allowance

FUNDS TO CLOSE

Please indicate how you will be purchasing your Investor Unit:

- ☐ Funds will be wired by me in accordance with the wiring instructions attached hereto as Attachment B. I will include my name on the wire transfer.
- ☐ Funds will be sent by me via ACH transfer in accordance with the wiring instructions attached hereto as Attachment B. I will include my name on the ACH transfer.
- ☐ I am sending a check made payable to "**SouthState Bank, N.A., as escrow agent, for the benefit of Capital Square Glendale BFR, LLC**."

INVESTMENT CHECKLIST

In addition, in order to complete the closing of your investment, the following information is required:

- ☐ Investor Questionnaire (attached): please complete, sign and date.
- ☐ Entity Documentation (i.e., trust certificate and trust agreement, corporate bylaws; partnership agreement; operating agreement; resolution, as applicable). Please note that the documentation submitted must include documents authorizing signing authority and should include any and all amendments.
- ☐ Check, wire transfer or ACH transfer of funds for the Purchase Price.

Please complete and return all documentation to:

WealthForge Securities, LLC

3015 W. Moore Street, Suite 102

Richmond, Virginia 23230

or via e-mail to InvestorServices@WealthForge.com

For questions or assistance, please contact:

CSRA Investor Relations at (888) 818-1031

or

Info@CapitalSq.com.

INVESTOR QUESTIONNAIRE

CAPITAL SQUARE GLENDALE BFR, LLC

This Investor Questionnaire relates to the undersigned's intention to purchase Investor Units in the Fund for a purchase price as listed on page 7 of this Investor Questionnaire. In order to induce the Fund to accept the Subscription Agreement and this Investor Questionnaire, and as further consideration for such acceptance, the undersigned hereby makes the following acknowledgments, representations and warranties, with the full knowledge that the Fund will expressly rely thereon in making a decision to accept or reject the undersigned's Subscription Agreement and the Investor Questionnaire:

SECTION I – OWNERSHIP AND INVESTMENT INFORMATION

A. IF INVESTING AS AN INDIVIDUAL(S), PLEASE COMPLETE THE FOLLOWING AND SECTION II:

Name of Investor:_____

Name of Co-Investor (if applicable):

_____

Name of Co-Investor (if applicable):_____

Name of Co-Investor (if applicable):_____

Primary State of residency:_____

Type of ownership: □ Individual Ownership □ Joint Tenants □ Tenants in Common □ Community Property

□ IRA □ Roth IRA □ Sep IRA □ Simple IRA □ Beneficial IRA □ 401K □ Pension Plan □ Profit Sharing Plan

□ Keogh Plan □ UGMA □ UTMA □ A married person as their sole and separate property

□ Other: _____

□ If non-qualified account is custodial, please check box and complete the Custodial Information section at the bottom of Section 2(a).

Trusted Contact Information (optional)

Name: _____Phone: _____

Email: _____Relationship: _____

Accredited Investor Certification: I hereby represent and warrant that:

(Each investor must initial the statement or statements below that truthfully describe him or her.)

_____ _____ I am a natural person whose individual net worth, or joint net worth with my spouse or spousal equivalent exceeds $1,000,000 at the time of purchasing the Investor Units (For purposes of determining net worth, exclude the value of your primary residence as well as the amount of indebtedness secured by your primary residence, up to the fair market value. Any amount in excess of the fair market value of your primary residence must be included as a liability. In the event the indebtedness on your primary residence was increased in the 60 days preceding the completion of this Subscription Agreement, the amount of the increase must be included as a liability in the net worth calculation. Furthermore, for the purposes of calculating joint net worth, joint net worth can be the aggregate net worth of the Investor and spouse or spousal equivalent; assets need not be held jointly to be included in the calculation.);

_____ _____ I am a natural person who had individual income in excess of $200,000 in each of the two recent years, or joint income with my spouse or spousal equivalent in excess of $300,000 in each of those years, and I have a reasonable expectation of reaching the same income level in the current year;

_____ _____ I am a natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the SEC has designated as qualifying an individual for accredited investor status, as posted on the SEC's website as of the date hereof;

_____ _____ I am a natural person who is a "knowledgeable employee," as defined in Rule 3c-5(a)(4) under the Investment Company Act of 1940 (the "Investment Company Act"), of the Fund where the Fund would be an investment company, as defined in Section 3 of such Act, but for the exclusion provided by either Section 3(c)(1) or Section 3(c)(7) of such Act; or

_____ _____ I am a natural person who is a Family Client, as defined in Section I(C) below.

Note: "Spousal equivalent" is defined as a cohabitant occupying a relationship generally equivalent to that of a spouse.

After completing this page, you may proceed to Section II.

B. IF INVESTING AS A TRUST, PLEASE COMPLETE THE FOLLOWING AND SECTION II(b):

Name of Trust: _____

Name(s) of Trustee and Co-Trustee(s) (if applicable): _____

_____

Trust Taxpayer Identification Number: _____ _____

Trust Mailing Address: _____

_____

_____

Trust Primary Contact: _____

Primary Contact Email: _____

☐ If non-qualified account is custodial, please check box and complete Section II(b)

Please submit a copy of the Trust Agreement and any amendments.

Please note: If a prospective Investor is purchasing Investor Units through a trust that is a taxpaying entity, then all trustees must complete and execute the Investor Questionnaire on behalf of the trust and all questions concerning income, assets, and accreditation will pertain to the trust. If, on the other hand, the trust is not the taxpaying entity with respect to this investment (e.g., a grantor trust), then the person paying the tax on the trust's income (the "taxpayer") must complete and execute the Investor Questionnaire and all questions concerning income, and assets will pertain to the taxpayer.

Accredited Investor Certification: I hereby represent and warrant that:

<u>Revocable Trusts</u>: Please initial the statement or statements below that truthfully describe the prospective Investor:

_____ _____ Investor is a revocable trust: (1) not formed for the specific purpose of acquiring the securities offered; (2) with total assets in excess of $5,000,000; and (3) is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Investor Units;

_____ _____ Investor is a revocable trust in which the trustee, or co-trustee, is a bank, insurance company, registered investment company, business development company, or small investment company; or

_____ _____ Investor is a revocable trust, and all of the grantors meet one of the qualifications for individual accredited investors under Section I(A) above (if this item is selected, all grantors must complete the "Accredited Investor Certification" in Section I(A) hereof).

<u>Irrevocable Trusts</u>: Please initial the statement below that truthfully describes the prospective Investor:

_____ _____ Investor is an irrevocable trust: (1) not formed for the specific purpose of acquiring the securities offered; (2) with total assets in excess of $5,000,000; and (3) with the power and authority to execute and comply with the terms of the Subscription Agreement; or

_____ _____ Investor is a trust in which the trustee, or co-trustee, of the trust is a bank, insurance company, registered investment company, business development company, or small investment company.

After completing this page, you may proceed to Section II.

C. IF INVESTING AS AN ENTITY (CORPORATION, PARTNERSHIP, LLC, ETC.), PLEASE COMPLETE THE FOLLOWING AND THE BENEFICIAL OWNER QUESTIONNAIRE SECTION II(b):

Name of Entity: _____

Entity Address: _____

City: _____ State: _____ Zip: _____

Entity Taxpayer Identification Number: _____

Type of ownership: □ Corporation □ Partnership □ Limited Liability Company □ Other: _____

Corporation - If purchasing as a corporation, the investor must submit a copy of the corporation's bylaws, with any and all amendments

Partnerships - If purchasing as a partnership, the investor must submit a copy of the Partnership Agreement, with any and all amendments

Limited Liability Company - If purchasing as a limited liability company, the investor must submit a copy of the Operating Agreement, with any and all amendments.

Accredited Investor Certification: I hereby represent and warrant that:

Please initial the statement or statements below that truthfully describe the prospective Investor:

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

_____ _____ Investor is a broker-dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended;

_____ _____ Investor is an investment adviser registered pursuant to Section 203 of the Investment Advisers Act of 1940 (the "Investment Advisers Act") or registered pursuant to the laws of a state;

_____ _____ Investor is an investment adviser relying on the exemption from registering with the Commission under section 203(l) or (m) of the Investment Advisers Act;

_____ _____ Investor is an insurance company as defined in Section 2(a)(13) of the Act;

_____ _____ Investor is an investment company registered under the Investment Company Act;

_____ _____ Investor is a business development company, as defined in Section 2(a)(48) of the Investment Company Act;

_____ _____ Investor is a Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

_____ _____ Investor is Rural Business Investment Company as defined in Section 384A of the Consolidated Farm and Rural Development Act;

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

_____ _____ Investor is an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 where the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or an employee benefit plan which has total assets in excess of $5,000,000;

_____ _____ Investor is a self-directed employee benefit plan, with investment decisions made solely by persons that are accredited investors (if this item is selected, all such persons must complete the "Accredited Investor Certification" in Section I(A) hereof);

_____ _____ Investor is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act;

_____ _____ Investor is an organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, or limited liability company, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000;

_____ _____ Investor is an entity in which all of the equity owners are "accredited investors." (Note: It is permissible to look through various forms of equity ownership to natural persons in determining the accredited investor status of entities under this paragraph. If those natural persons are themselves accredited investors, and if all other equity owners of the entity seeking accredited investor status are accredited investors, then this paragraph may be available. If this item is selected, all equity owners must complete the "Accredited Investor Certification" in Section I(A) hereof.);

_____ _____ Investor is an entity, of a type not listed in the paragraphs of this Section I(C) above or in Section I(B), not formed for the specific purpose of acquiring the securities offered, owning investments in excess of $5,000,000 (Note: For the purposes this paragraph, "investments" is defined in Rule 2a51-1(b) under the Investment Company Act);

_____ _____ Investor is a "family office," as defined in Rule 202(a)(11)(G)-1 under the Investment Advisers Act:

(i) With assets under management in excess of $5,000,000,
(ii) That is not formed for the specific purpose of acquiring the Investor Units, and
(iii) Whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or

_____ _____ Investor is a "family client," as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act, of a family office meeting the requirements in the immediately preceding paragraph of this Section and whose prospective investment in the Trust is directed by such family office pursuant to (iii) of the immediately preceding paragraph (a "Family Client").

In addition to the foregoing, such entity represents and warrants that it meets the requirements of the initialed category:

_____ _____ The entity is purchasing the Investor Units with funds that constitute, directly or indirectly, the assets of a Benefit Plan Investor (defined below). The entity hereby represents and warrants that its investment in the Trust: (i) does not violate and is not otherwise inconsistent with the terms of any legal document constituting or governing the employee benefit plan; (ii) has been duly authorized and approved by all necessary parties; and (iii) is in compliance with all applicable laws; or

_____ _____ The entity is not purchasing the Investor Units with funds that constitute, directly or indirectly, the assets of a "Benefit Plan Investor" (defined below).

The term “Benefit Plan Investor” means a benefit plan investor within the meaning of U.S. Department of Labor Regulation 29 C.F.R. Section 2510.3-101, which includes (i) any employee benefit plan (as defined in Section 3(3) of ERISA), whether or not such plan is subject to Title I of ERISA (which includes both U.S. and Non-U.S. plans, plans of governmental entities as well as private employers, church plans and certain assets held in connection with nonqualified deferred compensation plans); (ii) any plan described in Code Section 4975(e)(1) (which includes a trust described in Code Section 401(a) which forms a part of a plan, which trust or plan is exempt from tax under Code Section 501(a), a plan described in Code Section 403(a), an individual retirement account described in Code Sections 408(a) or 408A, an individual retirement annuity described in Code Section 408(b), a medical savings account described in Code Section 220(d), and an education individual retirement account described in Code Section 530); and (iii) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (generally because 25 percent (25%) or more of a class of interests in the entity is owned by plans). Benefit Plan Investors also include that portion of any insurance company's general account assets that are considered “plan assets” and the assets of any insurance company separate account or bank common or collective trust in which plans invest. 100% of an Investor’s Investor Units whose underlying assets include “plan assets,” such as a fund investor, shall be treated as “plan assets” by the Trustees for purposes of meeting an exemption under the Department of Labor regulation.

INVESTOR QUESTIONNAIRE

SECTION II – INVESTOR INFORMATION

(INFORMATION FOR ALL INVESTORS, THEIR SPOUSE, SPOUSAL EQUIVALENT, TRUSTEES, ETC. MUST BE PROVIDED)

INVESTOR #1

Name: _____

Date of Birth: _____ Social Security No: _____

Home Address: _____

Mailing Address: _____

Phone Number: _____Email Address: _____

INVESTOR #2

Name: _____ Title (e.g., Spouse/Trustee), if applicable: _____

Date of Birth: _____ Social Security No: _____

Home Address: _____

Mailing Address: _____

Phone Number: _____Email Address: _____

INVESTOR #3

Name: _____ Title (e.g., Spouse/Trustee), if applicable: _____

Date of Birth: _____ Social Security No: _____

Home Address: _____

Mailing Address: _____

Phone Number: _____Email Address: _____

INVESTOR #4

Name: _____ Title (e.g., Spouse/Trustee), if applicable: _____

Date of Birth: _____ Social Security No: _____

Home Address: _____

Mailing Address: _____

Phone Number: _____Email Address: _____

CUSTODIAL INFORMATION:

Custodian Name: _____

Custodian Address: _____

City / State / Zip: _____

Tax ID: _____Custodian Phone: _____

Account Number at Custodian: _____

BENEFICIAL OWNER QUESTIONNAIRE

SECTION II (b)

(MUST BE COMPLETED FOR ALL EQUITY OWNERS. PERCENTAGE OWNERSHIP MUST TOTAL 100%.)

Foreign Persons please include Passport # and Issuance Country

EQUITY OWNER #1

The individual with significant responsibility for managing the Legal Entity listed above, such as an executive officer or senior manager (e.g. Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer); or any other individual who regularly performs similar functions.

Name: _____

Date of Birth: _____Social Security No: _____

Home Address: _____

Phone Number: _____ Email Address: _____

Percentage of Ownership: _____

EQUITY OWNER #2

Name: _____

Date of Birth: _____ Social Security No: _____

Home Address: _____

Phone Number: _____ Email Address: _____

Percentage of Ownership: _____

EQUITY OWNER #3

Name: _____

Date of Birth: _____ Social Security No: _____

Home Address: _____

Phone Number: _____ Email Address: _____

Percentage of Ownership: _____

EQUITY OWNER #4

Name: _____

Date of Birth: _____ Social Security No: _____

Home Address: _____

Phone Number: _____ Email Address: _____

Percentage of Ownership: _____

INVESTOR QUESTIONNAIRE

SECTION III – DISTRIBUTION OPTIONS

NAME OF INVESTOR: _____

□ NEW AUTHORIZATION

□ CHANGE OF INFORMATION

NAME OF FUND: CAPITAL SQUARE GLENDALE BFR, LLC

Please direct distributions: (Select one.)

□ VIA MAIL TO BROKERAGE ACCOUNT: (Complete #1, #2, #3 and #5 in below box.)

□ VIA ELECTRONIC DEPOSIT (ACH) TO: (Complete #1 through #5 and **attach a voided check**.)

1. Name of Bank/Brokerage Firm:

2. Mailing Address: _____

3. City, State, Zip Code: _____

4. Bank ABA (Routing) Number: _____

5. Account Number: _____

□ Checking □ Savings □ Brokerage Account

Electronic Deposit (ACH) Authorization - I (we) authorize the Fund and its Manager to deposit distributions from my (our) Investor Units to my (our) account indicated above at the depository financial institution (the **"Depository"**) indicated above. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of U.S. law. I (we) further authorize the Manager to debit my (our) account noted below in the event that the Manager erroneously deposits additional funds to which I (we) am (are) not entitled, provided that such debit shall not exceed the original amount of the erroneous deposit. In the event that I (we) withdraw funds erroneously deposited into my (our) account before the Manager reverses such deposit, I (we) agree that the Manager has the right to retain any future distributions to which I (we) am (are) entitled until the erroneously deposited amounts are recovered by the Manager. This authorization is to remain in full force and effect until the Manager has received written notification from me (or either of us) of its termination in such time and in such manner as to afford the Manager and the Depository a reasonable opportunity to act on it, or until the Manager has sent me written notice of termination of this authorization.

The signature(s) of all investors of record are required.

_____
Signature of Co-Investor (if applicable)

_____
Signature of Co-Investor (if applicable)

_____
Signature of Co-Investor (if applicable)

_____
Signature of Co-Investor (if applicable)

Date: _____

Date: _____

Section IV – W-9

TO BE COMPLETED BY INDIVIDUAL/ENTITY FOR WHICH INFORMATION WILL BE REPORTED TO THE IRS.

Form **W-9**
(Rev. November 2017)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

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

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

Print or type. See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

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

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

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ►

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

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

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

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

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

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

Social security number

___ - ___ - ____

or

Employer identification number

___ - _____

Part II Certification

Under penalties of perjury, I certify that:

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

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

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

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, *later.*

APPROVAL PAGE
Capital Square Glendale BFR, LLC

NAME OF INVESTOR: _____

FINANCIAL ADVISOR APPROVAL AND CERTIFICATION

Financial Advisor must approve, certify and sign below:

The investment provided for herein is **APPROVED**.

Standards of suitability have been established by the Manager and fully disclosed in the section of the Memorandum entitled "WHO MAY INVEST." Prior to recommending the purchase of the Investor Units, (1) we have taken reasonable steps, as outlined in Rule 506(c)(2)(ii) of Regulation D under the Securities Act, to verify that the Investor is an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act; and (2) we have reasonable grounds to believe, on the basis of information supplied by the Investor concerning his or her investment objectives, other investments, financial situation and needs, and other pertinent information, that: (i) the Investor meets the standards established by the Manager; (ii) the Investor has a net worth and income sufficient to sustain the risks inherent in the Investor Units, including loss of the entire investment and lack of liquidity; and (iii) the Investor Units are otherwise a suitable investment for the Investor. We will maintain in our files documents disclosing the basis upon which the suitability of this Investor was determined. The undersigned further represents and warrants that the Financial Advisor is not subject to any of the "Bad Actor" disqualifications described in Rule 506(d) under the Securities Act of 1933, as amended, except for such event: (1) contemplated by Rule 506(d)(2) of the Securities Act of 1933, as amended, and (2) a reasonably detailed description of which has been furnished to Capital Square Glendale BFR, LLC in writing. We verify that the above subscription either does not involve a discretionary account or, if so, that the Investor's prior written approval was obtained relating to the liquidity and marketability of the Investor Units during the term of the purchase.

Signature:_____ Date: _____

Printed Name: _____

Financial Advisor ID:_____

Phone No.:_____ Email: _____

Broker-Dealer or RIA Name: _____

Address:_____

City:_____ State:_____ Zip:_____

BROKER DEALER PRINCIPAL OR RIA PRINCIPAL APPROVAL

A Principal of the Broker Dealer or Registered Investment Advisor must approve and sign below:

The investment provided for herein is **APPROVED**.

Signature:_____Date: _____

Printed Name: _____

Address:_____

City:_____State:_____Zip: _____

Phone No.:_____Email: _____

Capital Square Glendale BFR, LLC

SIGNATURE PAGE TO INVESTOR QUESTIONNAIRE – ALL INVESTORS MUST SIGN

I (we) acknowledge and agree to all of the representations and warranties contained in this Investor Questionnaire.

If a natural person:

Signature:_____Date: _____

Name: _____

Signature:_____Date: _____

Name: _____

Signature:_____Date: _____

Name: _____

Signature:_____Date: _____

Name: _____

Consent of Spouse

(For individual Investors in community property states; namely, Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin.)

I,_____, spouse of _____ have read and approved the foregoing Subscription Agreement. I hereby appoint my spouse as my attorney-in-fact with respect to the exercise of any rights related to a purchase of Investor Units in Capital Square Glendale BFR, LLC and agree to be bound by the provisions of the Subscription Agreement, Operating Agreement and any other document related to the purchase of such Investor Unit (collectively, the **"Transaction Documents"**) insofar as I may have any rights in said Transaction Documents or any property subject thereto under the community property laws of the State of_____or similar laws relating to marital property in effect in the state of our residence as of the date of the signing of this Subscription Agreement or the Transaction Documents. Dated:_____SIGNATURE: _____

If not a natural person:

Name of Trust/Entity: _____

_____

Signature:_____Date:_____

Name: _____

Signature:_____Date: _____

Name: _____

Signature:_____Date: _____

Name: _____

Signature:_____Date: _____

Name: _____

Signature of Custodian (if applicable):

_____ Medallion Signature Stamp Guarantee Here

IN WITNESS WHEREOF, each party to this Subscription Agreement has executed this Subscription Agreement as of the date first written above.

The Fund:

Capital Square Glendale BFR, LLC

By: Capital Square Glendale BFR Manager, LLC
Its: Manager

By: Capital Square Realty Advisors, LLC,
a Virginia limited liability company
Its: Member

By: _____
Name: _____
Title: _____

[*Subscription Agreement Signature Page for Capital Square Glendale BFR, LLC*]

ATTACHMENT A

BAD ACTOR ADDENDUM

The undersigned investor ("Investor"), in connection with Investor's subscription (the "Subscription") for Units in Capital Square Glendale BFR, LLC, a Virginia limited liability company (the "Fund"), as of _____, 202__ (the "Subscription Date") and as a material inducement for the Fund to accept such Subscription, hereby represents, warrants and covenants to the Fund the following.

(1) Representations and Warranties.

(i) Investor has not been convicted, within ten years before the Subscription Date, of any felony or misdemeanor:

(A) In connection with the purchase or sale of any security;

(B) Involving the making of any false filing with the United States Securities Exchange Commission (the "Commission"); or

(C) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(ii) Investor is not subject to any order, judgment or decree of any court of competent jurisdiction, entered within five years before the Subscription Date that, at such time, restrains or enjoins such person from engaging or continuing to engage in any conduct or practice:

(A) In connection with the purchase or sale of any security;

(B) Involving the making of any false filing with the Commission; or

(C) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(iii) Investor is not subject to a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that:

(A) As of the Subscription Date, bars the Investor from:

(1) Association with an entity regulated by such commission, authority, agency, or officer;

(2) Engaging in the business of securities, insurance or banking; or

(3) Engaging in savings association or credit union activities; or

(B) Constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within ten years before the Subscription Date;

(iv) Investor is not subject to an order of the Commission entered pursuant to section 15(b) or 15B(c) of the Securities Exchange Act of 1934 *(15 U.S.C. 78* o (b) or 78 o -4(c)) or section 203(e) or (f) of the Investment Advisers Act of 1940 *(15 U.S.C. 80b-3*(e) or (f)) that, as of the Subscription Date:

(A) Suspends or revokes Investor's registration as a broker, dealer, municipal securities dealer or investment adviser;

(B) Places limitations on the activities, functions or operations of Investor; or

(C) Bars Investor from being associated with any entity or from participating in the offering of any penny stock;

(v) Investor is not subject to any order of the Commission entered within five years before the Subscription Date, which, as of the Subscription Date, orders Investor to cease and desist from committing or causing a violation or future violation of:

(A) Any scienter-based anti-fraud provision of the federal securities laws, including without limitation section 17(a)(1) of the Securities Act of 1933 *(15 U.S.C. 77q*(a)(1)), section 10(b) of the Securities Exchange Act of 1934 *(15 U.S.C. 78j*(b)) and *17 CFR 240.10b-5*, section 15(c)(1) of the Securities Exchange Act of 1934 *(15 U.S.C. 78* o (c)(1)) and section 206(1) of the Investment Advisers Act of 1940 *(15 U.S.C. 80b-6*(1)), or any other rule or regulation thereunder; or

(B) Section 5 of the Securities Act of 1933 *(15 U.S.C. 77e).*

(vi) Investor is not suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade;

(vii) Investor has not filed (as a registrant or issuer), or was not named as an underwriter in, any registration statement or Regulation A offering statement filed with the Commission that, within five years before the Subscription Date, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is, as of the Subscription Date, the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued; or

(viii) Investor is not subject to a United States Postal Service false representation order entered within five years before the Subscription Date, or is, as of the Subscription Date, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

(2) Covenants.

(i) Investor shall immediately notify the Fund in writing if Investor becomes subject to any of the events set forth in Section (1) of this Bad Actor Addendum (a "Disqualification Event") following the Subscription Date. Such notice shall be referred to as a "Bad Act Notice" and shall set forth in sufficient detail the nature of the Disqualification Event to which Investor has become subject and the date of the Disqualification Event's occurrence (the "Disqualification Notice").

(ii) Investor agrees to execute, make, acknowledge and deliver such other instruments, agreements and documents as may be required to fulfill the purposes of this Bad Actor Addendum.

IN WITNESS WHEREOF, the undersigned Investor has executed this Bad Actor Addendum as of the date stated above.

For Individuals:

_____
Name

_____
Signature

For Entities:

_____
Entity Name

By: _____
(Signature)

Name: _____
Title: _____

ATTACHMENT B

WIRING INSTRUCTIONS FOR WIRE AND ACH TRANSFERS

[See attached.]

WEALTHFORGE
SECURITIES

CAPITAL SQUARE GLENDALE BFR, LLC

Payment Instructions

Domestic Wires/ACH

Receiving Financial Institution:	SouthState Bank, N.A.
ABA/Routing Number:	063114030
Bank Address:	1101 First Street South, Winter Haven, FL 33880
Beneficiary:	Capital Square Glendale BFR, LLC
Beneficiary Address:	10900 Nuckols Rd, Ste 200, Glen Allen, VA 23060
Beneficiary Account Number:	8010001873796

International Wires

Receiving Financial Institution:	SouthState Bank, N.A.
SWIFT Code:	CSBKUS33
Bank Address:	1101 First Street South, Winter Haven, FL 33880
Beneficiary:	Capital Square Glendale BFR, LLC
Beneficiary Address:	10900 Nuckols Rd, Ste 200, Glen Allen, VA 23060
Beneficiary Account Number:	8010001873796

Check

Pay to the Order of:	Capital Square Glendale BFR, LLC
Address:	WealthForge Securities, LLC 3015 W. Moore St., Suite 102 Richmond, VA 23230

EXHIBIT C

PRO FORMA

Projected Investor Cash Flows							
			T-0	Year 1	Year 2	Year 3	Year 4	Year 5
			Jan-23	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28
Equity Investment			($11,059,567)	($2,920,263)	($13,290,271)	($11,767,303)	($0)	($0)
Property Cash Flow			–	–	–	–	$77,477,848	–
Gross Fund Cash Flow			($11,059,567)	($2,920,263)	($13,290,271)	($11,767,303)	$77,477,848	($0)
JV Load								
Sponsor Fees			($780,748)	($987,485)	($987,485)	($987,485)	($987,485)	–
Selling Costs			($4,937,500)	–	–	–	–	–
Carrying Costs			–	($668,650)	–	–	–	–
Net Cash Flow to Investor	**IRR:**	**17.0%**	($16,777,815)	($4,576,398)	($14,277,756)	($12,754,788)	$76,490,363	($0)
	Total Return:	**157.5%**						
	Profit:	**$28,103,606**						

Projected Investor Cash Flows - $100k Commitment							
			T-0	Year 1	Year 2	Year 3	Year 4	Year 5
			Jan-23	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28
Equity Investment			($22,857)	($6,035)	($27,467)	($24,319)	($0)	($0)
Property Cash Flow			–	–	–	–	$160,122	–
Gross Fund Cash Flow			($22,857)	($6,035)	($27,467)	($24,319)	$160,122	($0)
JV Load								
Sponsor Fees			($1,614)	($2,041)	($2,041)	($2,041)	($2,041)	–
Selling Costs			($10,204)	–	–	–	–	–
Carrying Costs			–	($1,382)	–	–	–	–
Net Cash Flow to Investor	**IRR:**	**17.0%**	($34,674)	($9,458)	($29,508)	($26,360)	$158,081	($0)
	Total Return:	**157.5%**						
	Profit:	**$58,081**						

Projected Investor Cash Flows - $1M Commitment							
			T-0	Year 1	Year 2	Year 3	Year 4	Year 5
			Jan-23	Jan-24	Jan-25	Jan-26	Jan-27	Jan-28
Equity Investment			($228,566)	($60,353)	($274,668)	($243,193)	($0)	($0)
Property Cash Flow			–	–	–	–	$1,601,220	–
Gross Fund Cash Flow			($228,566)	($60,353)	($274,668)	($243,193)	$1,601,220	($0)
JV Load								
Sponsor Fees			($16,136)	($20,408)	($20,408)	($20,408)	($20,408)	–
Selling Costs			($102,042)	–	–	–	–	–
Carrying Costs			–	($13,819)	–	–	–	–
Net Cash Flow to Investor	**IRR:**	**17.0%**	($346,744)	($94,580)	($295,076)	($263,601)	$1,580,812	($0)
	Total Return:	**157.5%**						
	Profit:	**$580,812**						

Investor Load Summary			
Sponsor Fees			
AM Fee	2.00%	Annual	(3,949,939)
Equity Placement Fee	2.00%	One time	(780,748)
Selling Costs			
Organization and Offering Expenses	1.00%	One time	(493,750)
Selling Commissions	6.50%	One time	(3,209,375)
Marketing and Due Diligence Allowance	1.00%	One time	(493,750)
Managing Broker-Dealer Fee	0.50%	One time	(246,875)
Wholesaling Fee	1.00%	One time	(493,750)
Carrying Costs*			(668,650)

*Accrued only during fundraising period

Estimated Use of Proceeds		
	Amount	Percentage of Gross Proceeds
Gross Offering Proceeds (Rounded '000)	$49,375,000	100.0%
Organization and Offering Expenses	$493,750	1.00%
Selling Commissions	$3,209,375	6.50%
Marketing and Due Diligence Allowance	$493,750	1.00%
Managing Broker-Dealer Fee	$246,875	0.50%
Wholesaling Fee	$493,750	1.00%
Amount Available for Investment*	$44,437,500	90.0%
Total Application (Rounded '000)	$49,375,000	100.0%

*Includes Sponsor Fees and Carrying Costs

Project Information	
Project	Northern Pkwy and Sarival
Location	Glendale
Land Close	9/21/2023
Land SF	1,262,318
Acres	28.98
Zoning	Commercial / MF - 12 Maxdu/AC

Sources & Uses					
Capital Uses		**$ Amt.**	**% of Tot.**	**$ / Unit**	**$ / RSF**
Land + Tax Costs		15,099,969	12.4%	$47,187	$34.10
Hard Costs		79,459,153	65.0%	$248,310	$179.44
FF&E		650,000	0.5%	$2,031	$1.47
Soft Costs		9,828,772	8.0%	$30,715	$22.20
Financing Costs		2,493,093	2.0%	$7,791	$5.63
Capitalized Interest		9,755,770	8.0%	$30,487	$22.03
Contingency		3,972,958	3.2%	$12,415	$8.97
Reserves		996,177	0.8%	$3,113	$2.25
Total Capital Uses		**122,255,893**	**100.0%**	**$382,050**	**$276.09**
Capital Sources		**$ Amt.**		**$ / Unit**	**$ / RSF**
Construction Loan		78,100,000	63.9%	$244,063	$176.37
Project LP	90.0%	39,740,304	32.5%	$124,188	$89.74
GP	10.0%	4,415,589	3.6%	$13,799	$9.97
Total Capital Sources		**122,255,893**	**100.0%**	**$382,050**	**$276.09**

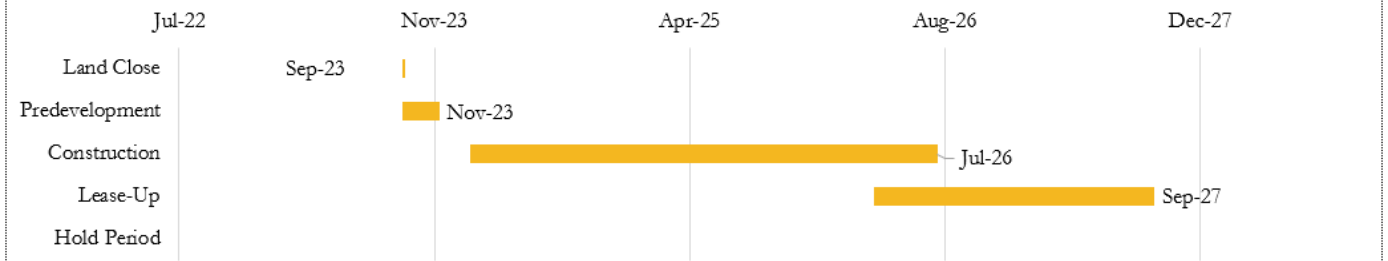
Unit Mix

Type	BR	BA	Units	% of Tot.	Sq. Ft.	Total	Rent	Rent / SF
Detached 3 Bed	3	2.5	12	3.8%	1,559	18,708	$2,675	$1.72
Detached 4 Bed	4	2.5	90	28.1%	1,668	150,120	$2,825	$1.69
Townhome 2 Bed	2	2.5	92	28.8%	1,054	96,968	$2,200	$2.09
Townhome 3 Bed Small	3	2.5	48	15.0%	1,265	60,720	$2,450	$1.94
Townhome 3 Bed Large	3	2.5	78	24.4%	1,491	116,298	$2,500	$1.68
Total / Weighted Avg.			**320**	**100.0%**	**1,384**	**442,814**	**$2,504**	**$1.81**

Pro-Forma Summary

			Untrended			Stab. Yr. 1: 07/27 - 06/28		
			$ Amt.	$ / Unit	$ / RSF	$ Amt.	$ / Unit	$ / RSF
Residential Income			9,616,200	$30,051	$21.72	11,364,807	$35,515	$25.66
Stabilized Concessions			--	--	--	(56,633)	($177)	($0.13)
Net Effective Rent	**Variable**		**9,616,200**	**$30,051**	**$21.72**	**11,308,174**	**$35,338**	**$25.54**
RUBS	Y		486,400	$1,520	$1.10	543,461	$1,698	$1.23
Other Income	Y		627,200	$1,960	$1.42	700,778	$2,190	$1.58
Total Income			**10,729,800**	**$33,531**	**$24.23**	**12,552,414**	**$39,226**	**$28.35**
Vacancy & Credit Loss & Empl Unit			(596,845)	($1,865)	($1.35)	(698,218)	($2,182)	($1.58)
Effective Gross Revenue			**10,132,955**	**$31,665**	**$22.88**	**11,854,195**	**$37,044**	**$26.77**
	Variable							
Payroll	N		480,000	$1,500	$1.08	536,310	$1,676	$1.21
Marketing	N		80,000	$250	$0.18	89,385	$279	$0.20
Utilities	Y		512,000	$1,600	$1.16	572,064	$1,788	$1.29
R&M	Y		96,000	$300	$0.22	107,262	$335	$0.24
Turnover	Y		96,000	$300	$0.22	107,262	$335	$0.24
Contract Services	N		112,000	$350	$0.25	125,139	$391	$0.28
Real Estate Taxes	N	5.00%	782,963	$2,447	$1.77	822,111	$2,569	$1.86
Insurance	N		80,000	$250	$0.18	89,385	$279	$0.20
Management Fee			278,656	$871	$0.63	296,355	$926	$0.67
Administration and HOA	N		64,000	$200	$0.14	71,508	$223	$0.16
Reserves			48,000	$150	$0.11	53,631	$168	$0.12
Total Op. Expenses			**2,629,619**	**$8,218**	**$5.94**	**2,870,413**	**$8,970**	**$6.48**
Net Operating Income			**7,503,336**	**$23,448**	**$16.94**	**8,983,783**	**$28,074**	**$20.29**
ROC			***74%***		***6.1%***			***7.3%***
Controllable Expenses			*1,488,000*	*$4,650*	*$3.36*	*1,662,562*	*$5,196*	*$3.75*
Uncontrollable Expenses			*1,141,619*	*$3,568*	*$2.58*	*1,207,851*	*$3,775*	*$2.73*

Development Timeline



Returns Summary (63.9% LTC, 48 Mo Hold, 5.00% Exit Cap)

Exit Assumptions	
Sale $	$182,490,739
/unit	$570,284
/psf	$412
Date	30-Sep-27

Returns	Unlevered	Levered	CS LP
IRR	21.9%	35.5%	17.0%
Peak Equity	109,942,224	43,374,893	48,880,174
Net Profit	76,831,577	59,054,520	28,103,606
CFx	1.70x	2.36x	1.57x

EXHIBIT D

WEALTHFORGE PRIVACY POLICY

PRIVACY POLICY

Updated as of January 2022

This Privacy Statement covers: WealthForge Securities, LLC (the "Company"). We do not disclose information to non-affiliated companies except as described below.

1. Acknowledgement and Acceptance of Terms

The Company is committed to protecting your privacy. This Privacy Statement sets forth our current privacy practices regarding the information we collect from you.

2. Third-party Policies

You may have received this privacy notice through a website or an email from a website or other third party, but this Privacy Statement does not apply to any third parties, and we are not responsible for their content. If you visit external websites, we recommend that you review their privacy policies.

The collection, further use, or disclosure of your information by issuers, unaffiliated service providers or by other third parties is not the responsibility of the Company. Such collection, use, or disclosure is governed by the third parties' privacy policies.

3. Personal Information We Collect From You

To complete your transactions, we will ask you or your financial professional to provide personal information such as name, address, email, telephone number or facsimile number, bank account number, social security number, driver's license, passport, or other government issued identification number, income or net worth information, and other information relevant to your request for participation in a transaction. You may also be asked to disclose personal information to us so that we can provide assistance and information to you. We will not disclose personally identifiable information we collect from you to non-affiliated parties without your permission, except to the extent necessary to provide the products and services, as described below.

4. How We Use, Share, and Protect Personal Information

The Personal information you provide is used to provide services to you and to inform you of products, services, or opportunities that may be available through the Company. Information and data you provide will also be used to administer our business, and our products and services in a manner consistent with this Privacy Statement and all applicable laws, rules, regulations, or other legal obligations. If you provide us with your name, address, telephone number, or email address, or have done so in the past, the Company may contact you by telephone, mail, or email. Email or other electronic communications sent to us will be maintained in a manner consistent with our legal and regulatory requirements regarding client and public communications.

We do not rent, sell, or share your personal information to unaffiliated organizations except to provide products or services you have requested, when we have your permission, or under certain limited

circumstances. For example, we provide such information to companies who work on behalf of or with the Company, subject to confidentiality agreements. These companies may use your personal information to help the Company communicate with you about the Company's products and services or to assist the Company in the provision of its products and services. The Company may compile and use aggregated, anonymized data that does not directly or indirectly identify you or compromise your personal information in violation of this policy.

The Company may share information that you provide with the issuer and sponsor of the offering in which you have expressed an interest, the other broker-dealers providing services for that issuer and sponsor, as well as other companies providing services in connection with the offering, such as escrow agents and banks, credential-checking services, the issuer's special purpose vehicle(s) for that offering, and other financial intermediaries such as transfer agents, investment advisors, etc.

Social security numbers are only shared with the following and only as applicable to a particular transaction or activity that you initiate: personnel for third-party intermediaries processing the transaction for the issuer and sponsor; other parties that use the social security numbers for the limited purpose of providing services for the offering and that have agreed to maintain the confidentiality of your information; other financial intermediaries involved in the transaction; and the issuer and sponsor of the securities.

The Company maintains reasonable physical, electronic, and procedural safeguards that comply with applicable laws and regulations to protect personal information about you and works with vendors and partners to protect the security and privacy of user information. The Company maintains the information collected on servers located within the United States and does not transfer your data to other countries.

5. Other Reasons We Share Personal Information

We also use information you provide to respond to subpoenas, court orders, or other similar legal obligations and processes, comply with regulatory requests and audits, or to establish or exercise our legal rights or defend against legal claims. In addition, we will share such information if we believe it is required by law or it is necessary to investigate, prevent, or take action regarding illegal activities or suspected fraud or the rights or property of the Company or third parties.

Finally, we may transfer information about you to any acquirer or successor of the Company if and to the extent that the Company is acquired by or merged with another company.

6. Changes to this Statement

The Company has the discretion to update this Privacy Statement at any time.

7. Notice of Residents of California and Nevada

The Company has the discretion to update this Privacy Statement at any time. When we do, we will also revise the "updated" date at the top of this page. We encourage you to review this Privacy Statement each time you receive it to stay informed about our use of your information.

California Residents:

California law requires that we obtain your affirmative consent before we share your nonpublic personal information with non-affiliated third-party companies.

The California Consumer Privacy Act requires that Company inform you of your rights, provide a list of the categories of personal information it has collected about consumers in the past twelve (12) months and detail what categories of personal information it sells or discloses.

Rights of California Residents

1. Right of access

California residents have the right to request that a business that collects a resident's personal information disclose to that resident the categories and specific pieces of personal information the business has collected.

California residents have the right to request that a business that collects personal information about the resident disclose to the resident the following:

(1) The categories of personal information it has collected about that resident.

(2) The categories of sources from which the personal information is collected.

(3) The business or commercial purpose for collecting or selling personal information.

(4) The categories of third parties with whom the business shares personal information.

(5) The specific pieces of personal information it has collected about that consumer.

2. Right to know what we sell or disclose

California residents have the right to request that a business that sells the resident's personal information, or that discloses it for a business purpose, disclose to that resident:

(1) The categories of personal information that the business collected about the resident.

(2) The categories of personal information that the business sold about the resident and the categories of third parties to whom the personal information was sold, by category or categories of personal information for each third party to whom the personal information was sold.

(3) The categories of personal information that the business disclosed about the resident for a business purpose.

Company does not sell personal information

3. Right to opt out

California residents shall have the right, at any time, to direct a business that sells personal information about the resident to third parties not to sell the resident's personal information.

4. Right to deletion

In some cases, California residents shall have the right to request that a business delete any personal information about the resident which the business has collected from the resident.

5. Right to equal service and price

A business may not discriminate against a California resident because the resident exercised any of the resident's rights, including, but not limited to, by:

(A) Denying goods or services to the consumer.

(B) Charging different prices or rates for goods or services, including through the use of discounts or other benefits or imposing penalties.

(C) Providing a different level or quality of goods or services to the resident, if the resident exercises the consumer's rights under this title.

(D) Suggesting that the resident will receive a different price or rate for goods or services or a different level or quality of goods or services.

How to request your information

To request the personal information in Company's possession please contact Company via either https://www.wealthforge.com/contactus or 866.603.4082.

To request what personal information Company has disclosed to a third party please contact Company via either https://www.wealthforge.com/contactus or 866.603.4082.

To request your personal information be deleted email the following address admin@wealthforge.com or call 866.603.4082.

Categories of Personal Information Company collects

Section 3 above details the categories of personal information Company collects from investors or their financial professional.

Categories of Personal Information Company has sold in the past twelve (12) months.

Company acts solely as a service provider and does not sell personal information.

Categories of Personal Information Company has disclosed in the past twelve (12) months

Section 4 above details how Company uses your personal information. Information provided by you in the investment documents may also be shared with the issuer of the offering in which you have expressed an interest, third-party intermediaries providing services for that issuer, as well as other companies providing services in connection with the offering, such as, escrow agents and banks, credential-checking services, the issuer's special purpose vehicle(s) for that offering, and other financial intermediaries. In each case, disclosure is subject to applicable privacy law and is limited to the extent the third party needs the information.

Company has disclosed the following types of personal information to third-parties in the past twelve (12) months:

- To issuers of securities: name, date of birth, accreditation status, SSN, bank account information, suitability information (including income or net worth estimates).
- To broker-dealers or advisors: name, date of birth, accreditation status, SSN, bank account information, suitability information (including income or net worth estimates) of their subscribers.
- To regulators: name, date of birth, accreditation status, SSN, bank account information, suitability information (including income or net worth estimates).
- To third-party service providers: name, date of birth, SSN, bank account information.

Any information provided to Company will be used for the purpose of completing the transaction.

In addition, if you are a California resident, California Civil Code Section 1798.83 permits you to request information regarding the disclosure of your personal information by the Company to its affiliates and/or third parties for their direct marketing purposes.

To make such a request, please send an email with your first name, last name, mailing address, email address, and telephone number to admin@wealthforge.com. Please include "California Privacy Rights" in the subject line of your email. You may also make such a request by writing to us at the address set forth in the Contacting Us section.

Nevada Residents

Nevada law requires us to disclose that you may elect to be placed on our internal do-not-call list by calling us at 804-308-0431. For further information, contact the Nevada Attorney General's office at 555 E. Washington Ave., Suite 3900, Las Vegas, NV 89101; by phone at 702-486-3132; or by email at BCPINFO@ag.state.nv.us.

8. Notice to European Union Members

Data subjects in the European Union have the following principal rights under data protection law:

1. the right to withdraw consent;
2. the right to access;
3. the right to rectification;
4. the right to erasure;
5. the right to restrict processing;
6. the right to data portability;
7. the right to object to processing;
8. the right not to be subject to decisions made solely on automated processing; and
9. the right to complain to a supervisory authority.

To limit our collection, storage, or sharing please contact our Data Protection Officer, Chris Rohde, as provided below.

9. Contacting Us

If you have questions regarding our Privacy Statement, its implementation, or failure to adhere to this Privacy Statement and/or our general practices, please contact us at: admin@wealthforge.com or send your comments to:

WealthForge Attention: Privacy Statement Representative and Data Protection Officer
3015 W. Moore St., Suite 102
Richmond, VA 23230