

Name: _____

PPM No: _____

Cedar Adams Shareholder LLC

\$24,000,000 in Membership Interests

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

January 23, 2024

Cedar Adams Shareholder LLC

\$24,000,000 in Membership Interests

Cedar Adams Shareholder LLC (the “Company”) is a Delaware limited liability company formed to use the proceeds of the sale of Membership Interests to purchase membership interests in BV/Cedar 30 East Adams JV, LLC, a Delaware limited liability company (the “Joint Venture”), thereby investing, indirectly, in 30 East Adams Property, LLC, an Illinois limited liability company (the “Property Owner”). The Property Owner was formed to acquire, improve, own, and operate The Alfred, a multi-use property that consists of 18,839 RSF of retail space and 176 multifamily units (the “Property”) located in Chicago, Illinois. 30 East Adams Manager LLC, a Delaware limited liability company, will serve as the manager of the Company (the “Manager”).

The Company intends to invest all of substantially all of its assets in the Joint Venture. As of the date of this Memorandum, it is anticipated that the Joint Venture’s members will consist of the Company, Cedar Adams Holdings LLC, a Delaware limited liability company, and Cedar Adams Partners, LLC, an Illinois limited liability company (each member of the Joint Venture, a “JV Member”).

The Manager expects to capitalize the Joint Venture with \$24,000,000 through any combination of capital contributions from JV Members. The Company intends to offer and sell approximately \$24,000,000 (the “Maximum Offering Amount”) in limited liability company interest (“Interests” or “Membership Interests”) to persons that qualify as “accredited investors” as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended (the “Securities Act”). Persons who purchase Interests in the Company will become members of the Company (“Members”).

This Confidential Private Placement Memorandum (as amended or supplemented from time to time, this “Memorandum”), relates to the offering of the Interests in the Company (the “Offering”). Any photocopying, disclosure, alteration or subsequent dissemination of this Memorandum in whole or in part, or any derivation thereof, by electronic mail or other means of transmission, is prohibited. By accepting delivery of this Memorandum each recipient, including his or her advisors and affiliates, agrees to the foregoing.

The minimum initial investment for the Interests is \$50,000; provided, however, that the Manager has the right, in its sole discretion, to accept subscriptions for less than \$50,000 for Interests.

All proceeds from subscriptions for Interests in the Company will be held in the Company’s bank account. The Company will continue to offer the Interests and Members generally will be accepted into the Company until the earlier of (i) the date the Company raises the Maximum Offering Amount, (ii) the first anniversary of the date of this Memorandum, subject to an additional six-month extension in the Manager’s sole discretion, and (iii) the date the Offering is terminated by the Manager in its sole discretion.

Arkadios Capital, LLC, a Georgia limited liability company (“Arkadios”), is the exclusive managing broker-dealer for this Offering. The Interests are being offered on a “best efforts” basis.

This investment involves a high degree of risk. See “RISK FACTORS” beginning on page 1 to read about risks you should consider before buying these Interests. You should purchase these Interests only if you can afford a complete loss of your investment.

The date of this Memorandum is January 23, 2024.

Arkadios Capital, LLC, as Managing Broker-Dealer

NOTE TO INVESTORS

THE INTERESTS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, THE SECURITIES LAWS OF ANY U.S. STATE OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION (COLLECTIVELY, THE “SECURITIES LAWS”), NOR IS SUCH REGISTRATION CONTEMPLATED. NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) NOR ANY OTHER U.S. OR NON-U.S. SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM OR APPROVED OR DISAPPROVED OF THE INVESTMENT DESCRIBED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. UNDER THE SECURITIES LAWS, THE INTERESTS MAY NOT BE SOLD, PLEDGED OR TRANSFERRED UNLESS A REGISTRATION STATEMENT IS IN EFFECT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. IN ADDITION, THE INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY CONTAINED IN THE LIMITED LIABILITY COMPANY AGREEMENT GOVERNING THE COMPANY (THE “AGREEMENT”) AND DESCRIBED IN THIS MEMORANDUM.

THIS OFFERING IS STRICTLY LIMITED TO PURCHASERS WHO ARE PURCHASING INTERESTS FOR THEIR OWN ACCOUNT FOR INVESTMENT AND NOT FOR RESALE. INTERESTS WILL BE SOLD ONLY TO PERSONS OR ENTITIES THAT QUALIFY AS “ACCREDITED INVESTORS” AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN OR AUTHORIZED BY THIS MEMORANDUM. ANY INFORMATION NOT CONTAINED HEREIN OR AUTHORIZED HEREBY MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ITS MANAGER. THE DELIVERY OF THIS MEMORANDUM WILL NOT, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE MATTERS DISCUSSED HEREIN SINCE THE DATE HEREOF.

THE DISTRIBUTION OF THIS MEMORANDUM AND THE OFFER AND SALE OF INTERESTS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. THIS MEMORANDUM IS SUBMITTED IN CONNECTION WITH THE PRIVATE PLACEMENT OF INTERESTS IN THE COMPANY AND DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION TO ANY PERSON TO WHOM SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL. THE INTERESTS ARE OFFERED SUBJECT TO THE RIGHT OF THE COMPANY’S MANAGER TO REJECT ANY SUBSCRIPTION IN WHOLE OR IN PART. INTERESTS THAT ARE ACQUIRED BY PERSONS NOT ENTITLED TO HOLD THEM MAY BE COMPULSORILY REDEEMED. THE MANAGER RESERVES THE RIGHT TO ACCEPT ALL OR A PORTION OF ANY SUBSCRIPTION FOR THE PURCHASE OF INTERESTS, AND NO INVESTOR WILL HAVE ANY RIGHTS WITH RESPECT TO THE COMPANY UNTIL SUCH INVESTOR’S SUBSCRIPTION HAS BEEN ACCEPTED BY THE MANAGER, AS EVIDENCED BY THE MANAGER’S COUNTERSIGNATURE TO THE SUBSCRIPTION DOCUMENTS.

THIS MEMORANDUM SHOULD BE READ IN CONJUNCTION WITH THE AGREEMENT ATTACHED HERETO AS APPENDIX A, THE JOINT VENTURE’S LIMITED LIABILITY COMPANY AGREEMENT (“JV AGREEMENT”) AND THE SUBSCRIPTION DOCUMENTS ATTACHED HERETO AS APPENDIX B (THE “SUBSCRIPTION DOCUMENTS”). TO THE EXTENT THAT STATEMENTS MADE IN THIS MEMORANDUM ATTEMPT TO SUMMARIZE PROVISIONS OF THE AGREEMENT, JV AGREEMENT, OR SUBSCRIPTION DOCUMENTS, SUCH STATEMENTS ARE QUALIFIED IN THEIR ENTIRETY BY, AND MUST BE READ SUBJECT TO, SUCH PROVISIONS. TO THE EXTENT THAT THERE IS ANY INCONSISTENCY BETWEEN THIS MEMORANDUM AND THE AGREEMENT, JV AGREEMENT, OR SUBSCRIPTION DOCUMENTS, THE PROVISIONS OF THE AGREEMENT, JV AGREEMENT, AND SUBSCRIPTION DOCUMENTS WILL CONTROL.

THIS MEMORANDUM HAS BEEN PREPARED FOR THE BENEFIT OF PERSONS INTERESTED IN THE OFFERING DESCRIBED HEREIN AND MAY NOT BE USED FOR ANY OTHER PURPOSE. ANY

REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DISCLOSURE OF ITS CONTENTS TO ANYONE OTHER THAN REPRESENTATIVES OF THE PROSPECTIVE INVESTOR DIRECTLY CONCERNED WITH THE DECISION REGARDING SUCH INVESTMENT WHO HAVE AGREED TO ABIDE BY THE FOREGOING RESTRICTIONS IS PROHIBITED WITHOUT THE EXPRESS PRIOR WRITTEN CONSENT OF THE MANAGER. EACH PROSPECTIVE INVESTOR, BY ACCEPTING THIS MEMORANDUM, AGREES TO RETURN IT PROMPTLY UPON REQUEST.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE COMPANY OR THE MANAGER, OR ANY OF THEIR RESPECTIVE AGENTS OR REPRESENTATIVES, AS LEGAL, BUSINESS, FINANCIAL, TAX OR OTHER ADVICE. PRIOR TO INVESTING IN THE INTERESTS, A PROSPECTIVE INVESTOR IS STRONGLY URGED TO CONSULT WITH, AND MUST RELY UPON, HIS, HER, OR ITS OWN ATTORNEY AND FINANCIAL AND TAX ADVISORS TO FULLY UNDERSTAND THE CONSEQUENCES OF AN INVESTMENT IN THE INTERESTS AND ARRIVE AT HIS, HER, OR ITS OWN EVALUATION OF THE INVESTMENT, INCLUDING THE MERITS AND RISKS INVOLVED IN SUCH INVESTMENT.

INVESTMENT IN THE INTERESTS WILL INVOLVE A HIGH DEGREE OF RISK DUE TO, AMONG OTHER THINGS, THE NATURE OF THE COMPANY'S INVESTMENT. PROSPECTIVE INVESTORS SHOULD PAY PARTICULAR ATTENTION TO THE INFORMATION IN THE SECTION OF THIS MEMORANDUM ENTITLED "RISK FACTORS" BEGINNING ON PAGE 1. INVESTMENT IN THE COMPANY IS SUITABLE ONLY FOR SOPHISTICATED INVESTORS AND REQUIRES THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE HIGH RISKS AND LACK OF LIQUIDITY INHERENT IN AN INVESTMENT IN THE COMPANY. INVESTORS IN THE COMPANY MUST BE PREPARED TO BEAR SUCH RISKS FOR AN INDEFINITE PERIOD OF TIME. NO ASSURANCE CAN BE GIVEN THAT THE COMPANY'S INVESTMENT OBJECTIVES WILL BE ACHIEVED OR THAT INVESTORS WILL RECEIVE A RETURN OF THEIR CAPITAL.

THE MANAGER WILL MAKE AVAILABLE TO EACH PROSPECTIVE INVESTOR OR SUCH INVESTOR'S REPRESENTATIVE, DURING THIS OFFERING AND PRIOR TO THE SALE OF ANY INTERESTS TO SUCH PROSPECTIVE INVESTOR, THE OPPORTUNITY TO ASK QUESTIONS AND RECEIVE ANSWERS CONCERNING THE TERMS AND CONDITIONS OF AN INVESTMENT IN THE COMPANY OR ANY OTHER RELEVANT MATTERS, AND TO OBTAIN ANY ADDITIONAL INFORMATION (TO THE EXTENT THAT THE MANAGER POSSESSES SUCH INFORMATION OR CAN OBTAIN IT WITHOUT UNREASONABLE EFFORT OR EXPENSE) NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION IN THIS MEMORANDUM.

ALL INFORMATION CONTAINED HEREIN, INCLUDING ANY ESTIMATES, PROJECTIONS OR PRO FORMA FINANCIALS, IS BASED UPON INFORMATION PROVIDED BY THE MANAGER OR THIRD PARTIES. CERTAIN ECONOMIC AND FINANCIAL MARKET INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM PUBLISHED SOURCES AND/OR PREPARED BY OTHER PARTIES. WHILE SUCH SOURCES ARE BELIEVED TO BE RELIABLE, NONE OF THE COMPANY, THE MANAGER, THEIR RESPECTIVE AFFILIATES NOR ANY OTHER PERSON ASSUMES ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, AND NO REPRESENTATION OR WARRANTY IS MADE WITH RESPECT THERETO. UNLESS OTHERWISE SPECIFIED HEREIN OR IN A SUPPLEMENT, ALL INFORMATION CONTAINED IN THIS MEMORANDUM HAS BEEN COMPILED AS OF THE DATE SET FORTH ON THE COVER PAGE OF THIS MEMORANDUM.

ANY PROJECTIONS OR OTHER FORECASTS CONTAINED HEREIN ARE BASED ON SUBJECTIVE ESTIMATES AND ASSUMPTIONS ABOUT CIRCUMSTANCES AND EVENTS THAT HAVE NOT YET TAKEN PLACE, MAY NEVER TAKE PLACE, AND ARE SUBJECT TO MATERIAL VARIATION. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT ANY PROJECTED OR FORECASTED RESULTS WILL BE ATTAINED. TARGETED OR POTENTIAL PERFORMANCE RESULTS MAY NOT BE ACHIEVED AND THERE CAN BE NO ASSURANCE THAT THE COMPANY OR INVESTORS IN THE COMPANY WILL ACHIEVE FAVORABLE RESULTS.

THIS MEMORANDUM CONTAINS “FORWARD-LOOKING” STATEMENTS AS DEFINED IN SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE “EXCHANGE ACT”). ANY STATEMENTS CONTAINED IN THIS MEMORANDUM THAT ARE NOT STATEMENTS OF HISTORICAL FACT MAY BE DEEMED TO BE FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS INCLUDE, IN PARTICULAR, STATEMENTS ABOUT THE COMPANY’S PLANS, STRATEGIES AND PROSPECTS. THESE FORWARD-LOOKING STATEMENTS ARE NOT HISTORICAL FACTS BUT ARE THE INTENT, BELIEF, OR CURRENT EXPECTATIONS OF THE MANAGER REGARDING THE COMPANY’S BUSINESS, INDUSTRY, AND PROSPECTS. YOU CAN GENERALLY IDENTIFY FORWARD-LOOKING STATEMENTS BY THE USE OF FORWARD-LOOKING TERMINOLOGY, SUCH AS “MAY,” “ANTICIPATE,” “EXPECT,” “INTEND,” “PLAN,” “BELIEVE,” “SEEK,” “ESTIMATE,” “PRO FORMA,” “TARGET,” “CONTINUE,” “WOULD,” “COULD,” “SHOULD,” AND VARIATIONS OF THESE WORDS AND SIMILAR EXPRESSIONS. YOU SHOULD NOT RELY ON THESE FORWARD-LOOKING STATEMENTS BECAUSE THE MATTERS THEY DESCRIBE ARE SUBJECT TO KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER UNPREDICTABLE FACTORS, MANY OF WHICH ARE BEYOND THE COMPANY’S CONTROL. THE COMPANY’S ACTUAL RESULTS, PERFORMANCE, AND ACHIEVEMENTS COULD BE MATERIALLY DIFFERENT FROM THAT EXPRESSED OR IMPLIED BY THESE FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED HEREIN ARE BASED ON INFORMATION AVAILABLE ON THE DATE HEREOF AND NEITHER THE COMPANY, THE MANAGER, THE SPONSOR, THEIR RESPECTIVE AFFILIATES NOR ANY OTHER PERSON ASSUMES ANY DUTY TO UPDATE ANY FORWARD-LOOKING STATEMENT.

ANY PRIOR INVESTMENT RESULTS BY THE COMPANY’S SPONSOR OR ANY OF ITS AFFILIATES CONTAINED IN THIS MEMORANDUM ARE PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY AND ARE NOT NECESSARILY INDICATIVE OF THE COMPANY’S POTENTIAL INVESTMENT RESULTS. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.

TABLE OF CONTENTS

NOTE TO INVESTORS	i
EXECUTIVE SUMMARY	1
INVESTMENT OVERVIEW	1
COMPANY INVESTMENT	1
RISK FACTORS	1
MANAGEMENT	22
INTERESTS OF THE MANAGER AND ITS AFFILIATES	23
USE OF PROCEEDS FROM THE OFFERING	24
PRIOR PERFORMANCE SUMMARY	25
CERTAIN TAX, SECURITIES, ERISA AND OTHER REGULATORY MATTERS	26
SUMMARY OF PRINCIPAL TERMS	47
PLAN OF DISTRIBUTION	55
HOW TO SUBSCRIBE	58
REPORTS TO MEMBERS.....	58
LITIGATION.....	58
PROFESSIONALS AND SERVICE PROVIDERS	59
LEGAL COUNSEL	59
ELECTRONIC DELIVERY OF DOCUMENTS	59
WHERE YOU CAN FIND ADDITIONAL INFORMATION	60

Appendix A: Agreement

Appendix B: Subscription Documents

Appendix C: Organizational Diagram

Appendix D: Pro Forma Financials

Appendix E: Confidential Investment Overview

EXECUTIVE SUMMARY

This executive summary highlights certain investment considerations relating to the Interests in the Company. It is not a substitute for reading this Memorandum in its entirety. The Manager may grant concessions to any investor in side letters without offering them to other Members in its sole and absolute discretion. This executive summary is subject to, and qualified by, the more detailed information appearing later in this Memorandum, including “RISK FACTORS” beginning on page 1. Key terms of the Agreement are provided herein under “SUMMARY OF PRINCIPAL TERMS” beginning on page 47. The Agreement and the Subscription Documents are attached hereto as Appendix A and Appendix B, respectively.

- Company: Cedar Adams Shareholder LLC, a Delaware limited liability company.
- Manager: 30 East Adams Manager LLC, an Illinois limited liability company.
- Joint Venture: BV/Cedar 30 East Adams JV, LLC, a Delaware limited liability company.
- Offering: Up to \$24,000,000.
- Offering Period: The period beginning on the date of this Memorandum and ending on the earlier of (i) the date the Company raises the Maximum Offering Amount, (ii) the first anniversary of the date of this Memorandum, subject to an additional six-month extension in the Manager’s sole discretion, and (iii) the date the Offering is terminated by the Manager in its sole discretion (the “Offering Period”).
- Company Investment Objectives: The Company’s primary objective is to invest, indirectly through the Joint Venture, in that certain real property located at 30 E. Adams St., Chicago, Illinois, together with any improvements currently situated and/or to be constructed thereon and personal property located thereon (the “Property”).
- Primary Use of Proceeds: Proceeds from the sale of Interests will be used to: (i) assist in the recapitalization of the Property, (ii) help indirectly finance capital expenditures, and (iii) provide working capital to the Company.
- Target Leverage: The current senior debt balance is approximately \$42,500,000, representing a 60% LTV on the going-in asset valuation of \$71,000,000 (the “Loan”).
- Net Proceeds to Company from Purchase of Interests: Net proceeds for purchased Interests will be calculated based on the purchased amount of such Interests after payment of Placement Costs attributable to such Interests.
- Minimum Investment: \$50,000, unless lesser amounts are permitted by the Manager in its sole discretion.
- Joint Venture Distributions: *Pari Passu* amongst the Joint Venture members.
- Distributions: Subject to the other provisions contained in this section, Distributable Cash (which generally means gross receipts, less expenses, less amounts to fund reserves) of the Company received from cash flows, indirectly from the Property Owner, or otherwise, for any period will be distributed to the Members in the following order of priority:
1. Payment of Priority Capital Preferred Return. First, to the Members in proportion to the amounts necessary to cause each Member to have received a preferred return

(calculated like interest) equal to 8% per annum on such Member's aggregate Priority Capital contributions.

2. Return of Priority Capital Contributions. Next, to the Members in proportion to their respective Unrecovered Priority Capital contributions until the Members have received a return of all of their Additional Capital Contributions.
3. Payment of 8% IRR. Next, to the Members pro rata in proportion to their percentage interests to cause each Member to achieve an 8% internal rate of return on their Capital Contributions.
4. Pro Rata. Next, to the Members in proportion to their respective percentage interests.

Managing Broker- Dealer: Arkadios will serve as the non-exclusive managing broker-dealer for this Offering. The Company may also engage other Broker-Dealers for placement of the Interests as the Manager deems appropriate.

INVESTMENT OVERVIEW

Company Investment

The Property is a 14-story mixed-use asset located in the heart of the Chicago Loop. It offers a premier residential amenity suite complete with a large rooftop terrace, a gym, and ground floor retail. The Sponsor completed a successful adaptive reuse of the existing landmark office building in 2018 with a conversion to multifamily while maintaining legacy retail tenants on the ground floor including the historic Miller's Pub. Many of the original details of the vintage office structure were restored including the Chicago-style windows, decorative wood flooring, and exterior masonry. The redevelopment of the Property utilized Federal Historic Tax Credits which were capitalized with Chase's Historic Tax Credit Equity platform.

The Property totals nearly 135,000 RSF, consisting of 18,839 RSF of retail across three tenants and 176 multifamily units. The multifamily units are comprised of 34 studio, 131 1-bed, and 11 2-bed apartments with an average unit size of 655 SF.

Located at the corner of Wabash Avenue and Adams Street in The Loop, the Property offers tremendous access to some of Chicago's most desirable amenities including the Art Institute one block east and Millennium Park and Grant Park nearby. Additionally, there is a tremendous concentration of universities within walking distance from the Property including DePaul University's Loop campus, Columbia College, UIC (John Marshall) Law School, Harold Washington, SAIC, and Roosevelt University, which provides an additional renter pool for the building.

The Property holds attractive fixed rate senior debt at a 3.65% interest rate with 36 years of term remaining on a 40-year amortization schedule. The current senior debt balance is approximately \$42,500,000, representing a 60% LTV on the going-in asset valuation of \$71,000,000 (the "Loan"). The principal balance of the Loan will decrease as it amortizes over its term. Additional details regarding the Property are included in the Confidential Investment Overview attached as Appendix E.

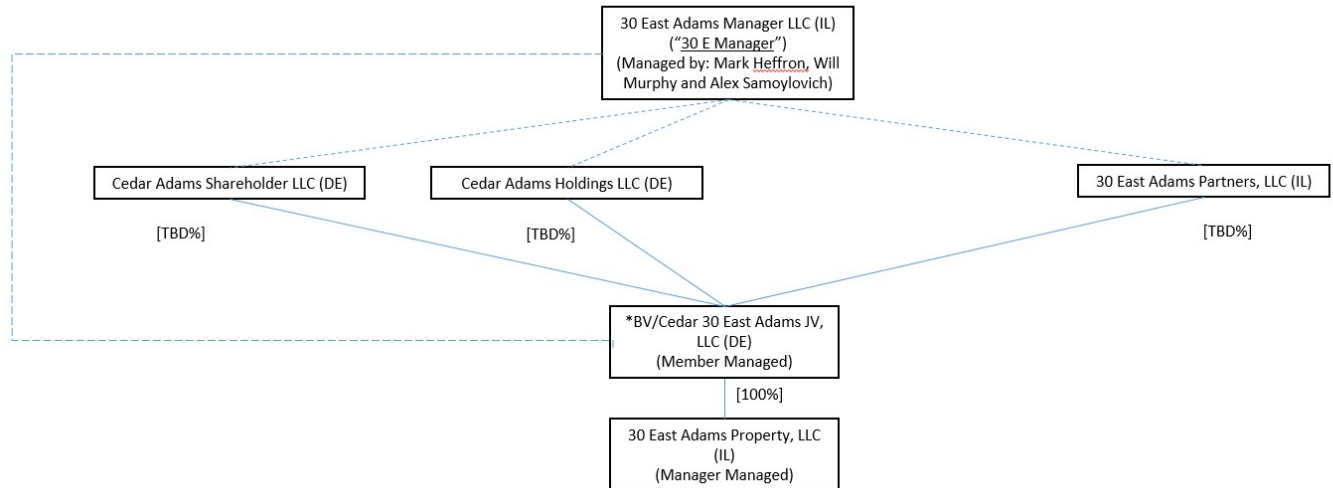
The Property Owner entered into a property management agreement to manage the Property (a "Property Management Agreement") with Flats LLC, an Illinois limited liability company that is owned and controlled by the Principals (the "Operator"), in connection with the acquisition of the Property. Pursuant to the Property Management Agreement, the Property Owner will pay three percent (3.0%) of the gross receipts of the Property to the Operator. The Property Management Agreement is available for inspection on a confidential basis upon request from prospective Members.

The Manager anticipates that the targeted offering amount will be funded through multiple closings. If the Company ultimately requires further capital, the Manager has the right to admit additional Members (or allow then existing Members to increase their capital contributions) on such terms as the Manager believes to be in the best interests of the Company.

The proceeds of this Offering will be used to assist in the recapitalization of the Property, help indirectly finance capital expenditures, and provide working capital to the Company. Upon the Property Owner's acquisition of the Property, it utilized preferred equity from affiliated entities and investors, debt through the Loan, as well as Federal Historic Tax Credits. In connection with the recapitalization, a majority of the proceeds from the Offering will be used to (i) redeem affiliated preferred equity, (ii) pay accrued but unpaid preferred returns, (iii) exit the Joint Venture's participation in the Historic Tax Credit Equity program following the compliance period, which is estimated to include costs totaling approximately \$750,000, (iv) pay for tenant improvement relating to the opening of retail space, and (v) cover estimated closing costs of the Offering and reserves for anticipated future expenses related to the Property.

The Joint Venture

The Property is owned by the Property Owner which is a wholly owned subsidiary of the Joint Venture. A diagram reflecting the ownership and management structure of the Company, the Joint Venture, and the Property is reflected below and attached hereto as Appendix C.



PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE COMPANY OR THE MANAGER, OR ANY OF THEIR RESPECTIVE AGENTS OR REPRESENTATIVES, AS LEGAL, BUSINESS, FINANCIAL, TAX OR OTHER ADVICE. PRIOR TO INVESTING IN THE INTERESTS, A PROSPECTIVE INVESTOR IS STRONGLY URGED TO CONSULT WITH, AND MUST RELY UPON, HIS, HER, OR ITS OWN ATTORNEY AND FINANCIAL AND TAX ADVISORS TO FULLY UNDERSTAND THE CONSEQUENCES OF AN INVESTMENT IN THE INTERESTS AND ARRIVE AT HIS, HER, OR ITS OWN EVALUATION OF THE INVESTMENT, INCLUDING THE MERITS AND RISKS INVOLVED IN SUCH INVESTMENT.

CEDARst

CEDARst is a national multi-family developer established in 2009. Headquartered in Chicago, with offices in San Diego and Miami, CEDARst employs over 130 employees across its integrated model which includes: development, design, general contracting and property management. Its founders are seasoned real estate professionals with combined experience in excess of 75 years. CEDARst manages \$4 billion in real estate across eight states throughout the United States. CEDARst is committed to providing high quality, well-managed housing, at affordable prices.

CEDARst and its affiliates provide investment services, asset management, development and construction/renovation management for residential assets located throughout the United States.

The Manager believes that CEDARst’s vertically and horizontally integrated investment, management and servicing platform will provide the Company with a competitive advantage by enabling the Company, through its relationship with CEDARst, to source and service commercial real estate investment opportunities in the United States and generate above-market, risk-adjusted returns.

Alex Samoylovich

Alex Samoylovich is a founder and managing partner of CEDARst Companies. Since the inception of CEDARst, he has sourced, invested in, and managed hundreds of transactions and has been instrumental in the development value of over \$4 billion. Prior to entering real estate, Mr. Samoylovich was an accomplished equity and options trader. Mr. Samoylovich has also founded Livly, a property technology company that enables seamless living between residents and property management via software. In 2016, Mr. Samoylovich was named one of Crain’s 40 under 40.

William Murphy

William Murphy is a founder, CEO, and Managing Partner of CEDARst Companies. He is responsible for all aspects of the development process and the ongoing management of its portfolio. Mr. Murphy has over 20 years of commercial real estate experience in development and finance, transacting on over \$5 billion, across all major asset classes and domestic markets. Mr. Murphy holds degrees in real estate and finance from the Business School at The University of Wisconsin - Madison. He is a frequent speaker at engagements including the Wisconsin Real Estate Alumni Association, REIA and the Urban Land Institute. He serves as a member of both the Graaskamp Advisory Board and Badgers in Finance.

Mark Heffron

Mark Heffron is a founder, CDO, and Managing Partner at CEDARst Companies and is responsible for the execution of all CEDARst developments. Mr. Heffron supervises design, construction, and development operations while creatively evolving the principles that make CEDARst's branded multi-family product stand out against the competition. With over 17 years of experience, he has successfully completed a variety of award-winning urban revitalization projects that consist of historic preservation, new construction, or both. More specifically, he has specialized expertise in unique renovation and infill projects requiring innovative financing techniques and Historic Tax Credits. Mr. Heffron graduated from The University of Wisconsin with a degree in Industrial Engineering with a Certificate in Business.

Prior Investment Performance of the Manager's Affiliates

CEDARst and its principals and affiliates have what the Manager believes to be an exceptional investment track record, having managed more than \$4 billion in 65 multifamily projects as of the date of this Memorandum.

Experienced Management Team

The Company's management team (the "Management Team") has an extensive history of underwriting, purchasing, developing, managing and disposing of multi-family projects. Since 2009, CEDARst has invested over \$800 million in real estate assets.

Strong Track Record

The Company's Sponsor has extensive multi-family acquisition, development and operating experience. Since CEDARst's inception in 2009, the firm has acquired and managed more than \$4 billion in multi-family projects.

Investment Discipline

CEDARst Companies analyzes each investment through a detailed and rigorous market analysis and financial projection model. Potential investments generally are required to meet some or all of the following criteria: (i) significant, sustainable demand drivers within the geographic market; (ii) positive feasibility assessment; and (iii) appropriate property-level leverage.

Development Experience

Of CEDARst's 65 investments through the date of this Memorandum, 15 have been ground-up developments comprised of 65 multi-family projects. The remainder are adaptive reuse multi-family projects, two office buildings, and one self-storage facility. All 65 investments have been developed by affiliates of CEDARst.

Full-Cycle Investments

To date, 28 of CEDARst's investments have been sold, producing a 39% gross internal rate of return with respect to such transaction.

Fees and Other Payments to the Managing Broker-Dealer

For placement services relating to this Offering, the Company will pay the following fees and other expenses to the Managing Broker-Dealer with respect to the sale of Interests attributable to the Managing Broker-Dealer:

- Selling commissions in an amount up to six percent (6.0%) of the gross proceeds from the sale of the Interests.
- Managing dealer fee in an amount up to two percent (2.0%) of the gross proceeds from the sale of the Interests.
- Oversight fees in an amount up to two percent (2.0%) of the gross proceeds from the sale of the Interests.

The Managing Broker-Dealer may, from time to time, at the request of certain participating broker-dealers or financial advisors, enter into agreements that provide for adjustments to the selling commissions and fees applicable to sales of Interests through such entities. In no event will the aggregate of the selling commissions, managing dealer fee, and oversight fee attributable to Interests be greater than 10% of the gross proceeds from the sale of Interests sold by any entity. The aggregate amount of selling commissions, managing dealer fee and marketing and diligence allowance fee that the Company would pay would not be affected by this change. Arkadios may reallocate all or a portion of the selling commissions, managing broker-dealer fees, and oversight fees applicable to sales of Interests to participating broker-dealers or financial advisors that are compensated on a commission basis for the sale. The selling commissions, managing dealer fees and/or oversight fees may be reduced or waived for any particular sales upon agreement of Arkadios and the participating broker-dealer, if one is involved in the sale.

In addition or alternatively, the Managing Broker-Dealer may enter into agreements that provide for decreased selling commissions or fees, with no corresponding increase in another commission or fee. Under this arrangement, the aggregate amount of selling commissions, managing dealer fee, and oversight fee attributable to Interests that the Company would pay would be less than 10% of the gross proceeds from the sale of the Interests sold by such entity, reducing the effective purchase price per Interest paid by such investor. The net proceeds to the Company will not be affected by either of these arrangements. Information about the amount of selling commissions charged by a broker-dealer or financial advisor (including whether the broker-dealer or financial advisor has negotiated adjusted selling commissions and managing dealer fee) is available from the broker-dealer or financial advisor.

As a result of the foregoing fees, the net proceeds to the Company from the Interests will be less than the gross proceeds to the Company from this Offering.

Fees and Other Payments to Company & Broker Dealer Affiliates

The Company or the Joint Venture will pay certain project related fees to the Manager (or its designated affiliate), such as (i) an asset management fee equal to two percent (2.0%) of the aggregate capital contributions to the Company, (ii) concurrent with the closing of the sale of the Property, a disposition fee equal to five percent (5.0%) of the difference between the gross sales price of the Property and the closing net proceeds and expenses incurred in connection with such disposition, and (iii) a property management fee equal to three percent (3.0%) of the gross income of the Property.

Where affiliates of the Sponsor or Manager provide services as a managing broker-dealer or selling group member, the Company may pay such affiliate fees and reimbursements for the services attributable to such party in amounts up to the amounts paid to the Managing Broker-Dealer, as set forth above.

The Manager and certain of its affiliates may provide services relating to the Property and its operations, such as redevelopment management, asset disposition services and property management services. Associated with such services, the Company or Joint Venture may retain the services of the Sponsor and certain of its affiliates for accounting, tax preparation, finance (including but not limited to budget preparation and preparation and maintenance of corporate models), treasury, operational coordination, risk management and insurance, legal and compliance, and other similar operational matters. For more information regarding the specific fees payable to the Manager or its affiliates, see the section of this Memorandum titled "INTERESTS OF THE MANAGER AND ITS AFFILIATES – Fees Payable to Affiliates" beginning on page 23.

RISK FACTORS

An investment in the Company is highly speculative and involves a high degree of risk, including the risk of loss of a Member's entire investment. An investment in the Company is suitable only for sophisticated investors who fully understand and are capable of bearing the risks of an investment in the Company as a Member. No guarantee or representation is made that the Company will achieve its investment objectives or that Members will receive a return on or even of their capital. The following describes certain risks and potential conflicts of interest. However, this list is not, and is not intended to be, an exhaustive list or a comprehensive description of the types of risks that any Member in the Company may encounter, and other risks and conflicts not discussed below may arise in connection with the management and operation of the Company. Prospective investors should be aware that because the Company intends to invest primarily in a mixed use commercial real estate asset, risks related to other potential investments are not included below. Prospective investors should also read and carefully consider "CERTAIN TAX, SECURITIES, ERISA AND OTHER REGULATORY MATTERS." Risk factors have been divided into categories; however, some risk factors may be relevant to more than one category. Prospective investors are thus urged to read this entire section. The use of "we" and "our" in this section shall be interpreted to mean the "Company," the "Joint Venture," and the "manager" as appropriate, and the use of "you" should be interpreted to mean the "Investor" or "prospective Investor" as appropriate.

Risks Related to Our Business

Reliance on Key Persons

Just as we will depend on the investment management expertise of the Manager and the Sponsor, those entities will in turn depend upon the efforts of the Management Team, in particular William Murphy, Mark Heffron and Alex Samoylovich. We can provide no assurances that any of our key personnel will continue their association with us. None of the members of our Management Team will have employment agreements with us. The loss of any key person could harm our business, financial condition, cash flow and results of operations. If we lose or are unable to obtain the services of key personnel, our ability to implement our investment strategy could be delayed or hindered.

In addition, neither the Company nor the Manager will be required to maintain "key person" life insurance on any member of our Management Team. Thus, the Company's performance may materially suffer if one or more of the members of senior management should cease to serve as officers of the Manager or its affiliates.

High Rates of Inflation Could Reduce Returns

During 2021, inflation began to increase with significant increases in 2022 and 2023. If the Company's costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs. Additionally, to the extent inflation reduces investment returns to the Company, it could reduce the effective returns to our Members.

Debt Service and Interest Could Adversely Impact Results

The Property current holds a senior debt balance of approximately \$42,500,000, representing a 60% loan to value ratio. However, our governing documents do not set a maximum leverage for the Property or for the Company as a whole. As a result, we may incur substantial debt, including secured debt, in the future. Incurring substantial debt could subject us to many risks, including the risks that:

- operating cash flow will be insufficient to make required payments of principal and interest;
- our leverage may increase our vulnerability to adverse economic and industry conditions;
- we may be required to dedicate a substantial portion of our cash flow from the Property to payments on our debt, thereby reducing cash available for distribution to our Members, funds available for operations, or other purposes;
- we may be placed at a competitive disadvantage compared to our competitors that have less debt;

- terms of any refinancing, if available, will not be as favorable as the terms of the debt being refinanced (see “– Inability to Refinance Debt” below); and
- the terms of our debt may limit our ability to incur further borrowings or to make distributions to our Members.

Debt Covenants Could Restrict Our Ability to Execute on Strategic Plans

The Company, the Joint Venture, and/or the Property Owner may be a party to various loan, repurchase and other financing agreements which are likely to contain financial covenants that could, among other things, require it to maintain certain financial ratios. Should there be a breach the financial or other covenants contained in any loan or other financing agreement, we may be required to repay such borrowings in whole or in part immediately, together with any attendant costs. If we do not have sufficient cash resources or other credit facilities available to make such repayments, we may be forced to sell our assets. Moreover, any failure to repay such borrowings or, in certain circumstances, other breaches of covenants under the Loan or other loan agreements could result in us being required to suspend payment of distributions.

Inability to Refinance Debt

We may be required to refinance its debt. We may refinance our debt by incurring additional or replacement debt or disposing of the Property. Covenants applicable to our debt could impair our planned investment strategy and, if violated, result in a default. If we are unable to refinance our debt on acceptable terms, we may be forced to dispose of the Property on disadvantageous terms, potentially resulting in losses to us and adversely affecting cash available for distributions to our Members. In addition, if then prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, our interest expense would increase, which would further adversely affect our future operating results and liquidity. To the extent we cannot meet any future debt service obligations, we will risk losing to foreclosure the Property that is or may be pledged to secure our obligations.

Impact of Higher Interest Rates

Higher interest rates could increase debt service requirements of any floating-rate or fixed-rate debt that the Company, Joint Venture, or Property Owner incurs. If interest rates are higher than expected, underwriting and ability to execute the Manager’s strategic plan as anticipated could be adversely affected. In recent years, interest rates remained at relatively low levels on a historical basis and the U.S. Federal Reserve maintained the federal funds target range at 0.0% to 0.25% for much of 2020 and 2021. Since January 1, 2022, and through the third quarter of 2023, the Federal Reserve’ Federal Open Markets Committee continually raised the federal funds rate. While Federal Reserve officials recently indicated that interest rates may hold steady and may begin to make interest rate cuts in 2024, the recent increase in basis points have caused interest rates from commercial lenders to rise. Additionally, the current geopolitical environment in Europe provides yet another layer of uncertainty around the actions that the Federal Reserve or other central bankers might take. Market interest rates are affected by many factors outside of the Company’s control, including governmental monetary policies, domestic and international economic conditions, inflation, deflation, recession, changes in unemployment, the money supply, international disorder and instability in domestic and foreign financial markets. Rising interest rates create downward pressure on the price of real estate, increase the cost and reduce the availability of debt financing for the transactions the Company, Joint Venture and/or Property Owner intend to pursue and decrease the value of fixed-rate debt investments made them, each of which may have an adverse impact on their business. The Manager cannot predict with a high degree of accuracy the timing or amount of future interest rate changes.

Impact of Interest Rate Hedging Activities

We may obtain in the future, or certain lenders may require that we enter into, one or more forms of interest rate protection – in the form of swap agreements, interest rate cap contracts or similar agreements – to hedge against the possible negative effects of interest rate fluctuations. These agreements involve the risks that these arrangements may fail to protect or adversely affect us because, among other things:

- interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates;

- available interest rate hedges may not correspond directly with the interest rate risk for which protection is sought;
- the duration of the hedge may not match the duration of the related liability;
- the credit quality of the hedging counterparty owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction; and
- the hedging counterparty owing money in the hedging transaction may default on its obligation to pay.

As a result of any of the foregoing, our hedging transactions, which would be intended solely to limit losses, could have a material adverse effect on us. In addition, any such hedge agreements would subject us to the risk of incurring significant non-cash losses on our hedges due to declines in interest rates if our hedges were not considered effective under applicable accounting standards.

Internal Controls

If we fail to establish and maintain an effective system of integrated internal controls, we may not be able to accurately report our financial results. We will be required to provide reliable financial statements and reports to our Members. To monitor the accuracy and reliability of our financial reporting, our Sponsor has established a hierarchy and internal controls framework to mitigate risk. However, we can provide no assurances that such procedures will be adequate to provide reasonable assurance to our Members regarding the reliability of our financial reporting and the preparation of our financial statements. In addition, we will require that our management companies with whom we do business establish controls and procedures designed to ensure that revenues and expenses are properly recorded at the Property level. If we or our service providers fail to implement and comply with proper overall controls, we could fail to meet our reporting obligations. In addition, the existence of a material weakness or significant deficiency could result in errors in our financial statements that could require a restatement, cause us to fail to meet our reporting obligations, result in increased costs to remediate any deficiencies, attract lawsuits and cause Members to lose confidence in our reported financial information, leading to their exercise of certain rights and attempt to liquidate the Company.

Disruptions in Financial Markets and Uncertain Economic Conditions

The worldwide coronavirus (COVID-19) pandemic has resulted in significant disruptions in financial markets, business shutdowns, uncertainty about how the economy will perform in the near term and beyond, and has had a particularly acute impact on the real estate industry, which is the core focus of the Company. Market conditions can change quickly, potentially negatively impacting the value of real estate investments.

Disruptions in the financial markets and uncertain economic conditions could adversely affect the values of our investments. Furthermore, declining economic conditions could negatively impact commercial real estate fundamentals and result in a declining value of the Property, which could have the following negative effects on us:

- the values of our investment in the Property could decrease below the amounts paid for such investment; and/or
- revenues from the Property could decrease, making it more difficult for us to meet our debt service obligations on debt financing.

All of these factors could adversely affect our financial condition, results of operations and our ability to make distributions to our Members.

Past Performance is Not Necessarily Indicative of Future Results

This Memorandum includes data relating to the past performance of assets sponsored by the Manager's affiliates. Although the assets described were acquired and are managed by members of our Management Team, those assets were acquired and operated on behalf of other entities with different investment objectives and risk profiles

than the Company, and likely in a different economic environment than the current economic environment. Although CEDARst has extensive experience owning, operating, managing and developing real estate assets, the current dislocations in the real estate industry are the result of unprecedented measures, such as shelter-in-place requirements and travel bans, put in place by state governments and municipalities in order to slow the spread of the coronavirus. Therefore, the past performance of prior investments is not necessarily indicative of our future results, and we can provide no assurances that we will be able to replicate or improve upon the performance of prior assets.

The Full Financial Impact of COVID-19 Remains Unknown.

The recent outbreak of the novel coronavirus, COVID-19, or the future outbreak of any other highly infectious or contagious diseases, may adversely impact or cause disruption to the Company's and Joint Venture's financial condition and results of operations, which could adversely impact our ability to generate income sufficient to meet operating expenses or generate income and capital appreciation. Responsive actions from governmental authorities related to coronavirus and COVID-19 may adversely affect the Company's business, operations, financial condition, and cash flow. The extent of such impact will depend on future developments, which are highly uncertain and cannot be predicted.

Risks Related To Public Health Emergencies and Pandemics.

Future public health 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 Company. The widespread outbreak of another infectious or contagious disease in the United States could adversely affect demand within the real estate industry. If demand for the Property decreases significantly or for a prolonged period of time as a result of the Pandemic or an outbreak of another infectious or contagious disease, the Company's revenue would be adversely affected, which could have a material adverse effect on the Property and the Company's ability to service any debt, and thus on the value and realization of an investment in the Company.

New Securities Regulations

On June 5, 2019, the SEC adopted "Regulation Best Interest," a new standard of conduct for broker-dealers under the Exchange Act that includes: (i) the requirement that broker-dealers refrain from putting the financial or other interests of the broker-dealer ahead of the retail customer, (ii) a new disclosure document, the consumer or client relationship summary, or Form CRS, which requires both investment advisers and broker-dealers to provide disclosure highlighting details about their services and fee structures and (iii) interpretative guidance that establishes a federal fiduciary standard for investment advisers. Plan fiduciaries and the beneficial owners of individual retirement accounts ("IRAs") are urged to consult with their own advisors regarding the impact that Regulation Best Interest may have on purchasing and holding Interests in the Company. Regulation Best Interest or any other legislation or regulations that may be introduced or become law in the future could have negative implications on the Company's ability to raise capital from potential investors, including those investing through IRAs

Members will have little or no input on how the Company, Joint Venture and Property Owner are managed, increasing the risk that the Manager may take action a Member finds unfavorable.

The Manager and its affiliates will have exclusive responsibility for the Company's, Joint Venture's and Property Owner's activities, respectively, and, other than as may be set forth herein, Members will not have an opportunity to evaluate or approve specific investments (i.e. the Property), prior to the Company's investing, and will not have the ability to make any other decisions in the management of the Company. Decisions with respect to the Company's, Joint Venture's and Property Owner's management will be made exclusively by the Manager or its affiliates. The success of the Company (and Joint Venture and Property Owner) will depend in large part upon the skill and expertise of the Manager. Accordingly, no person should subscribe for Interests unless such person is willing to entrust all aspects of the Company's, Joint Venture's and Property Owner's management to the Manager.

General Risks Related to the Real Estate Industry

General Real Estate Risks

The Company will be subject to risks generally incident to the ownership, operation, and sale of real estate assets, including: (a) changes in general economic or local conditions; (b) changes in supply of or demand for similar or competing properties in a particular geographic area; (c) bankruptcies, financial difficulties, or defaults by vendors, contractors, subcontractors, tenants, and others; (d) increases in operating costs, such as taxes and insurance; (e) the inability to achieve occupancy at rental rates adequate to produce desired financial returns; (f) periods of high interest rates and tight money supply; (g) excess supply in the market area; (h) liability for uninsured losses resulting from natural disasters or other perils; (i) liability for environmental hazards; and (j) changes in tax, real estate, or environmental laws or regulations. For these and other reasons, no assurance can be given that the Company will be profitable or that it will achieve its financial objectives.

Operating Risks

The Company's financial performance is based, in part, upon controlling and minimizing operating expenses. However, certain expenses, such as taxes and insurance, cannot be controlled. A material increase in costs could have a material adverse effect on operating cash flow. If costs exceed revenues, additional funds would be required to satisfy such operating deficits. No assurances can be given that such funds will be available on satisfactory terms, if at all. Further, fluctuations in vacancy rates, rent schedules, and operating income can adversely affect operating results or render the sale or refinancing of the Property difficult or unattractive. The Manager cannot assure members that certain assumptions as to the future levels of income or future costs of operating the Property will be accurate, since many of such matters will depend on events and factors beyond the control of the Manager. Such factors include, without limitation: continued occupancy rates; rental rates for similar properties; financial resources of customers; adverse changes in local population trends, market conditions, local economic, and social conditions; supply and demand for similar space; increased competition and changes in the real estate markets; economic downturns; force majeure; interest rates; real estate tax rates, governmental rules, regulations, and fiscal policies; the enactment of unfavorable real estate, rent control, environmental or zoning laws, and hazardous material laws; and uninsured losses and effects of inflation.

General Economic Factors

Weakness in regional and national economies could materially and adversely impact business operations. If customers were to suffer serious economic setbacks, they might not be able to afford the accommodations. In such a scenario, the Company may not receive the anticipated amount of income from the Property or, worse, may not be able to pay the debt service to the lenders. In a worst case scenario, this could result in a complete loss of the Property if the lender was to foreclose. Further, a general or local weakness in economic conditions may reduce the demand for potential buyers of an investment.

Risks Related to Labor Shortages.

The success of the Property (and any other real estate investments in which the Company acquires interests in the future) will depend in large part on the Operator's ability to attract, retain, train, manage and engage its employees. If the Operator is unable to attract, retain, train and engage skilled associates, its ability to manage and staff the Property adequately could be impaired, which could reduce tenant satisfaction. A shortage of skilled labor could also require higher wages that would increase the labor costs at the Property, which could reduce the Company's profits and cash available for distribution to Members. Similar risks could be encountered with respect to any investments arising from redeployed capital.

Risks Related to Investing in Multifamily Rental Properties

Multifamily rental properties such as the Property will be subject to risks relating to competition with new and existing properties for tenants and the general difficulties of maintaining rental rates and occupancy levels in a highly competitive market. Tenant leases of this class of real estate asset are typically relatively short-term (e.g., six months to two years) in duration. It is possible that tenants could vacate the buildings in due course, exposing the project to substantial re-leasing expenses, including tenant improvements and real estate commissions. If the Property Owner is unable to re-let

space at favorable rental rates, it will have reduced cash flow and may require additional capital to maintain its buildings. Rental income can be affected by general market conditions (i) that increase the supply of competing real estate above demand, or (ii) that affect the business and prosperity of tenants generally. Although landlords generally have significant legal remedies available, tenant failures or defaults can interrupt rental income flows even in favorable market circumstances. Tenants can also create problems for landlords by creating conditions of contamination, interfering with other tenants in a multi-tenant building or by seeking the protection of the bankruptcy laws. All of these risks are inherent in the nature of this type of investment.

Competition from Other Multifamily Developments

An investment in real estate is frequently subject to the risk of competition from other properties in close proximity, and the Property will face competition from similar properties in the same market. The Property may face significant competition from owners, operators and developers of properties as well as from other housing alternatives to attract residents, including apartments, condominiums and single-family homes that are available for rent and sale.

Because the Property Owner is competing with a number of other owners and managers of single-family and multifamily properties, it may be unable to secure future leases with tenants. Furthermore, to the extent that the Property Owner is able to renew leases that are scheduled to expire in the short-term or re-let such space to new tenants, heightened competition resulting from adverse market conditions may require the Property Owner to utilize rent concessions and tenant improvements. If competitors offer space at rental rates below current market rates, the Property Owner may lose potential tenants and may be pressured to reduce rental rates in order to secure or retain tenants upon expiration of their existing leases. If the Property Owner is unable to secure leases in a reasonable time, or if rental rates decline or tenant improvement, leasing commissions, or other costs increase, the Property Owner's financial condition, cash flows, cash available for distribution, and the ultimate disposition value of the Property could be materially adversely affected.

Use of Leverage

The Company, through the Joint Venture and Property Owner, intends to maintain leverage to finance part of the costs of the Property. Leverage could have negative consequences, including the following: (a) the Company's ability to obtain additional financing for working capital, capital expenditures, or other purposes may be impaired in the future; (b) certain borrowings may be at variable rates of interest, which will expose the Company to the risk of increased interest rates; and (c) substantial leverage may limit the Company's flexibility to adjust to changing economic or market conditions, reduce its ability to withstand competitive pressures, and make it more vulnerable to a downturn in general or local economic conditions. Further, all or a portion of the Loans are secured by the Property. If debt service payments are not made as required, a lender could foreclose on the Property securing the debt. This could cause the Company to lose part or all of its investment, which in turn would cause the value of the Company's assets and the cash distributions payable to members to be reduced and/or eliminated.

Refinancing Risks

In order for the Company to carry out its business plan and objectives, financing is required. Banks have tightened their credit practices as a result of the sub-prime crisis and economic conditions in the U.S. capital markets. If refinancing were to become unavailable or available only at high interest rates, the ability to refinance and thus the return to members could be adversely affected.

Mortgage Rates.

If mortgage debt is unavailable at reasonable rates, the Company may not be able to refinance debt when the Loans come due or refinance such debt on favorable terms. If interest rates are higher upon refinancing, income or gain may be reduced. If any of these events occur, cash flow would be reduced. This, in turn, would materially impair the results of operations of the Company and reduce cash available for distribution to Members.

Environmental Liabilities

Federal, state, and local laws impose liability on a land owner for the 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 land

owner may be held liable for hazardous materials that are not discovered until after it sells the Property. Similar liability may occur under applicable state laws. Sellers of the Property to the Property Owner made only limited representations as to the absence of hazardous substances. Additionally, while the Property Owner obtained a Phase I environmental site assessment (a “Phase I”) to make a preliminary determination as to whether there is reason to perform more extensive diligence, such Phase I assessments do not involve invasive testing, are limited in scope, and may not detect all environmental risks. If any hazardous materials are found within the Property in violation of law at any time, the Property Owner, and thereby the Company, may be liable for all clean-up costs, fines, penalties, and other costs. This potential liability will continue after the Company sells the Property and may apply to hazardous materials present within such Property before the Property Owner originally acquired it. If losses arise from hazardous substance contamination which cannot be recovered from a responsible party, the financial viability of the Property may be adversely affected.

Uninsured Losses

While the Manager intends to carry comprehensive insurance on the Property, including fire, liability, and extended coverage insurance as applicable, there are certain risks that may be uninsurable or not insurable on terms that the Manager believes to be economical. For example, the Manager may not obtain insurance against terrorism, mold related claims, or earthquakes. If such an event occurs to or causes the damage or destruction of the Property, the Company could suffer financial losses.

Americans with Disabilities Act and Fair Housing Amendment Act

If the Property is not in compliance with the Americans with Disabilities Act of 1990 (the “ADA”) and the Fair Housing Amendment Act of 1988 (the “FHAA”) the Company may be required to pay for any required improvements. Under the ADA, the FHAA, and various state and local laws, all public accommodations must meet certain federal requirements related to access and use by disabled persons. Compliance with these requirements could involve removal of structural barriers from certain disabled persons’ entrances. Noncompliance with the ADA, the FHAA, or related laws or regulations could result in the imposition of fines by government authorities, awards to private litigants of damages, substantial litigation costs, and the incurrence of additional costs associated with bringing the Property into compliance, any of which could materially adversely affect the Company’s financial condition, results of operations, and cash flows, and consequently amounts available for distribution to members.

Multifamily properties also are subject to various federal, state, and local regulatory requirements, such as state and local fire and life safety requirements. If we fail to comply with these requirements, we could incur fines or private damage awards. We do not know whether existing requirements will change or whether compliance with future requirements would require significant unanticipated expenditures that would affect our cash flow and results of operations. If we incur substantial costs to comply with these other safety regulations and requirements, our financial condition, results of operations, the value of an investment in the Company, our cash flows, and our ability to satisfy our debt obligations and to make distributions to our Members could be materially and adversely affected.

Entitlements

The Company may be subject to a wide variety of federal, state, and local laws and regulations governing land use and the entitlement and permitting process. Compliance with these laws and regulations will require the expenditure of considerable time and money. Failure to comply could lead to delays in completing, or the non-completion of, intended improvements to the Property and could require costly changes.

Difficulty in Operating the Property

There are no assurances that the Company will be successful in operating the Property. Even if the Company is able to rent rooms, the rent received may not cover all operating and financing costs. Conversely, if the Company established significant reserves to partially cover these costs for a period of time, the capital available for investment will decrease.

Weather

Severe weather can have a negative impact upon the Company’s operating results and financial condition, including damage to individual investments and equipment, increasing material costs, increasing labor costs, increasing

insurance premiums, increased time to completion of construction due to the foregoing factors, and increase in government regulations with respect to set-backs and other protective features.

The Property Could Fail to Meet Expectations

The Company intends to invest, indirectly (through the Joint Venture and Property Owner), only in the Property. There is a risk that the Property will fail to continue to perform as expected. Estimates of future income, expenses, and the costs of development necessary to allow the Property Owner to operate the Property as originally intended may prove to be inaccurate. In addition, the Property Owner has financed the Property in part, and there is a risk that the cash flow from the Property could be insufficient to meet debt payment obligations.

Design, Construction, or Other Defects

The Property, and any other property owned, directly or indirectly, by the Company, may have design, construction, or other defects or problems that require unforeseen capital expenditures, special repair or maintenance expenses, or the payment of damages to third parties. Engineering, seismic, and other reports on which the Property Owner relies as part of its pre-acquisition due diligence investigations may be inaccurate or deficient, at least in part because defects may be difficult or impossible to ascertain. Statutory or contractual representations and warranties made by the seller of the real estate on which the Property has been developed may not protect the Property Owner or any of its members from liabilities arising from property defects.

The Company's Investments May Be Subordinated to Other Elements Comprising the Total Capitalization of the Property.

The Company's investment in the Joint Venture, and as a result, indirectly in the Property Owner, will be subordinate to debt on the Property. In the event of default on the debt secured by the Property or interests in the Property, the net proceeds from a foreclosure or restructuring may not be sufficient to cover the expenses of foreclosure or restructuring and payment in full of the debt. In such event, the Company will realize a loss of up to all of its investment before the creditors will suffer any loss.

Revenue from the Property May Be Reduced or Limited if the Operations of its Tenants Are Not Successful.

Revenue from the Property (and any future investments, if applicable) will depend primarily on the ability of tenants to pay the full amount of rent and other charges due under their leases on a timely basis. Any reduction in tenants' abilities to pay rent or other charges on a timely basis, including the filing by any tenants for bankruptcy protection, will adversely affect the Company's financial condition and results of operations. In the event of default by a tenant, the Property, and indirectly the Company, may experience delays and unexpected costs in enforcing the Property Owner's rights as landlord under lease terms, which may also adversely affect the Company's results of operations.

Risks Related to the Property

Lack of Readily Available Alternate Uses

The Property will be a specific-use property that will have limited alternative uses. Therefore, if the operation of the Property becomes unprofitable due to industry competition, a general deterioration of the industry, or otherwise, then there may exist great difficulty developing an alternative use for the Property and the liquidation value of the Property may be substantially less than would be the case if the Property were readily adaptable to other uses. Should any of these events occur, income and cash available for distribution could be reduced.

Data Security Breaches

Information security risks have generally increased in recent years due to the rise in new technologies and the increased sophistication and activities of perpetrators of cyber-attacks around the world. The Company, the Operator, or our Sponsor may collect and retain certain personal information provided by residents and customers. In addition, third-party service providers may be engaged and have access to such personally identifiable information in connection with providing necessary information technology and security and other business services. While we intend to ensure a variety of security measures to protect the confidentiality of this information are deployed and to periodically review and improve

such security requirements and measures, there can be no assurance that we will be able to prevent unauthorized access to this information. Any breach of such security measures and loss of this information may result in legal liability and costs (including damages and penalties), as well as damage to our reputation, that could materially and adversely affect our business and financial performance, and require significant management attention and resources to remedy the damages and penalties that result.

Risks Related to Data Protection Laws

The collection, protection, and use of personal data are governed by privacy laws and regulations. These laws and regulations continue to evolve and may be inconsistent from one jurisdiction to another. Compliance with applicable privacy laws and regulations may increase the costs of doing business and adversely impact our ability to conduct our business.

For example, the U.S. Congress is in the process examining and passing legislation aimed at providing new data privacy rights for consumers and new operational requirements for companies. The European Union has also adopted broad protections for individuals who reside in EU countries, which are expected to be applicable to us (because we expect to host citizens from EU countries). If we or other service providers fail to comply with applicable federal, state, or foreign data protection laws, or if regulators or plaintiffs assert we or our agents have failed to comply with them, it may lead to regulatory enforcement actions, private lawsuits, and/or reputational damage.

Ordinary Course Litigation

In the normal course of operating the Property, we expect to be involved in various legal proceedings. The outcome of these proceedings cannot be predicted. If any of these proceedings were to be determined adversely to us or a settlement involving a payment of a material sum of money were to occur, there could be a material adverse effect on our financial condition and results of operations. Additionally, we could become the subject of future claims by third parties, including guests who use the Property, property management employees, Members, or governmental regulators. Any significant adverse litigation judgments or settlements would reduce our profits and could limit our ability to successfully execute on our strategy and operate our business.

Risks Relating to Anchor Tenants.

Any tenant occupying a large portion of the gross leasable area of a retail center, commonly referred to in the retail sector as an anchor tenant, may become insolvent, may suffer a downturn in business or may decide not to renew its lease. Any of these events would result in a reduction or cessation in rental payments to us and would adversely affect our financial condition. A lease termination by an anchor tenant could result in lease terminations or reductions in rent by other tenants whose leases permit cancellation or rent reduction if another tenant's lease is terminated.

Competition with other Retail Channels

Our retail tenants will face potentially changing consumer preferences and increasing competition from other forms of retailing, such as discount shopping centers, outlet centers, upscale neighborhood strip centers, catalogues and other forms of direct marketing, discount shopping clubs, internet websites and telemarketing. Other retail centers within the market area of the Property will compete with the Property for customers, affecting their tenants' cash flows and thus affecting their ability to pay rent. In addition, some of our tenants' rent payments may be based on the amount of sales revenue that they generate. If these tenants experience competition, the amount of their rent may decrease. If our retail tenants are unable to make timely rent payments to us, our operating cash flows could be adversely affected.

Risks Related to Our Organization and Our Structure

No Operating History

The past performance of previous investments of the Manager's affiliates cannot be relied upon as an indicator of the Company's future performance or success. As of the date of this Memorandum, the Company has not commenced substantial operations. We can provide no assurance, even with the existing Management Team in place, that the Company will be profitable or that any particular return will be achieved.

Reliance on Affiliates of the Manager and Sponsor

The Company will depend on the resources made available to the Manager and the Sponsor by their affiliates to conduct the Company's operations. Adverse developments in the financial health of those affiliates could hinder the Manager's and the Sponsor's ability to successfully manage the Company's operations and the Property. Some of these affiliates may serve as the general partner or manager of other CEDARst-sponsored programs and may have contingent liability for the obligations of such programs or may face claims from investors. If such liabilities affected the level of services that the Manager and the Sponsor could obtain from their affiliates, the Company's operations and financial performance could suffer as well, which would limit the Company's ability to make distributions and decrease the value of an investment in the Company.

Limitations on Transfers of Interests

The Interests will not be registered under the Securities Act or any state securities laws and may not be transferred unless an exemption from registration under applicable federal and state securities laws is available and the written consent of the Manager has been obtained, which consent, except in limited circumstances, may be withheld in the Manager's sole discretion. The Interests are not divisible and may not otherwise be encumbered, except with the prior written consent of the Manager, which consent may be withheld in the Manager's sole and absolute discretion. In addition, other than distributions by the Company, Members may not make full or partial withdrawals from the Company prior to the final liquidation and termination of the Company. As a result, Members may be required to hold their Interests for the entire term of the Company.

Exculpation and Indemnification Provisions

Certain exculpation and indemnification provisions contained in the Agreement may limit the rights of action otherwise available to the Members and other parties against the Manager, the Sponsor, and/or any employees and affiliates of the Manager and the Sponsor absent such provisions in the Agreement. The Manager and its affiliates do not have fiduciary duties to the Members except as described therein.

If the Company is unable otherwise to meet its obligations, the Members may be required to repay to the Company, or to pay to creditors of the Company, distributions previously received by them. In addition, Members may be required to pay to the Company amounts that are required to be withheld by the Company for tax purposes to the extent such withholding payment obligations are greater than the offsetting distributions (plus interest thereon).

In connection with the disposition of the Property, the Company, Joint Venture, and/or the Property Owner may be required to make representations about the Property typical of those made in connection with the sale of any property. The Company, Joint Venture and Property Owner may also be required to indemnify the purchasers of the Property to the extent that any such representations turn out to be inaccurate, incorrect, or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Members to the extent that the Members have received prior distributions from the Company.

No Management Rights by Members

The Members will have no right or power to participate directly in the management or control of the business of the Company and thus must depend solely on the Manager and the Sponsor to make decisions regarding the Company. In addition, through the Agreement, the Members will be required to arbitrate disputes with the Manager and its affiliates and will have more limited causes of action against the Manager and its affiliates than might otherwise be the case absent such provisions.

Availability and Timing of Distributions

There are many factors that can affect the availability and timing of cash distributions to Members. Distributions generally will be based upon such factors as the amount of cash available or anticipated to be available from the Property, current and projected cash requirements, and tax considerations. As we may receive income attributable to the Property at various times during our fiscal year, distributions paid may not reflect our income earned in that particular distribution period. The amount of cash available for distributions will be affected by many factors, such as our ability to make acquisitions as offering proceeds become available and the income from the Property, as well as our operating expense levels and many other variables. Actual cash available for distribution may vary

substantially from estimates and from period to period. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions.

Impact of Fees and Expenses

Affiliates of the Manager are expected to perform services for the Company in connection with the management and disposition of the Property. They will be reimbursed for out-of-pocket expenses and may be paid certain fees. Payment of fees will result in immediate dilution to the value of your investment. Payment of fees increases the risk that the amount available for distribution to Members upon a liquidation of the Company would be less than the purchase price of the Interests in this Offering. See “INTERESTS OF THE MANAGER AND ITS AFFILIATES” and “SUMMARY OF PRINCIPAL TERMS.”

Investment Company Act of 1940

The Manager does not intend to cause the Company to register as an investment company under the Investment Company Act of 1940, as amended (the “Investment Company Act”), in reliance on an exclusion or exemption therefrom. If the Company is required to register as an investment company under the Investment Company Act, it could not continue its business plan, which may significantly reduce the value of the Interests. We intend to conduct our operations so that the Company does not meet the definition of “investment company” set forth in Section 3(a)(1) of the Investment Company Act. If the Company were required to register as an investment company under the Investment Company Act, the Company would be required to comply with numerous additional regulatory requirements and operational restrictions, which could adversely restrict operations and reduce distributions to Members.

Investment Advisers Act of 1940

None of the Manager, the Sponsor, or any of their affiliates are presently registered with the SEC as an investment advisor under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Accordingly, investors in the Company will not have the benefit of the substantive investor protection provisions of the Advisers Act. For additional information on these matters, see “CERTAIN TAX, SECURITIES, ERISA AND OTHER REGULATORY MATTERS – United States Securities Laws – Investment Advisers Act of 1940.”

USA PATRIOT Act, Corporate Transparency Act and Other Regulations

The Company may be subject to the U.S. Bank Secrecy Act, as amended by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “USA PATRIOT Act”), the Corporate Transparency Act (the “CTA”), and other anti-money laundering, anti-terrorism, and similar laws and regulations adopted by the U.S. and other jurisdictions. The USA PATRIOT Act requires subject businesses to establish anti-money laundering compliance programs that must include policies and procedures to verify investor identity at account opening and to detect and report suspicious transactions to the government. Institutions subject to the USA PATRIOT Act must also implement specialized employee training programs, designate an anti-money laundering compliance officer and submit to independent audits of the effectiveness of the compliance program. Compliance with the USA PATRIOT Act may result in additional financial expenses for the Company and may subject us to additional liability. The Company’s failure to comply with applicable regulations of the Treasury Department’s Office of Foreign Assets Control (OFAC) could have similar or additional negative consequences to those under the USA PATRIOT Act.

The CTA, which became law on January 2, 2021 as part of the National Defense Authorization Act for Fiscal Year 2021, requires certain companies called “Reporting Companies” to disclose information regarding their ultimate beneficial ownership. It is expected that the Company and/or the Joint Venture will be treated as one or more Reporting Companies. Beneficial ownership refers to the real, natural person or persons that own and control an entity at the point of formation, determined based on whether an individual either (i) exercises “substantial control” over the entity’s activities, (ii) owns or controls at least 25% of the ownership interests in the entity, or (iii) receives “substantial economic benefits” from the entity’s assets. Failure to meet disclosure requirements under the CTA could result in large fines or criminal penalties. The Financial Crimes Enforcement Network (“FinCEN”), a bureau of the United States Department of the Treasury, will administer the CTA. Because the CTA is a new law, its full application is still relatively uncertain. On September 29, 2022, FinCEN published final regulations (the “CTA Regulations”) that clarify and elaborate on the provisions of the CTA. Pursuant to the CTA Regulations, it is anticipated that the CTA will become effective, and its disclosure requirements will become mandatory, on January 1, 2024 (subject to further regulations or other administrative guidance). An Investor may

become subject to the CTA's disclosure requirements by virtue of its investment in, or level of control over, the Company. Pursuant to the CTA Regulations, the CTA will apply to individual investors who, directly or indirectly, either (i) exercise substantial control over the Company or (ii) own or control at least 25% of the ownership interests of the Company. In the event that the CTA's disclosure requirements apply to an Investor, the Company and the Manager will disclose to FinCEN the following information pertaining to such investor: (1) full legal name, (2) date of birth, (3) current address, (4) unique identifying number (e.g., a passport number or driver's license number), and (5) an image of the document from which the unique identifying number in clause (4) is obtained that includes such number and a photograph of the applicable individual (each of the foregoing, "Beneficial Ownership Information").

It is important to note that these disclosures of Beneficial Ownership Information will not be made public. Instead, these disclosures will be made directly to FinCEN. Pursuant to the Access Rule of the CTA that was issued on December 20, 2023, FinCEN may, under certain circumstances, provide access to Beneficial Ownership Information to (i) federal government agencies engaged in national security, intelligence, or law enforcement activities, (ii) state, local, or tribal agencies upon court authorization, (iii) foreign law enforcement agencies, certain foreign judicial and prosecutorial officials, and central and competent authorities, (iv) financial institutions, for the purpose of facilitating customer due diligence requirements, (v) federal functional regulators, for the purpose of assessing financial institutions' compliance with customer due diligence requirements, and (vi) the Department of the Treasury, for general official purposes, including for tax administration purposes. Authorized recipients of Beneficial Ownership Information are generally prohibited from re-disclosing the information except for in specific circumstances. Any inadvertent, unauthorized or otherwise unlawful disclosure of Beneficial Ownership Information can result in civil and criminal penalties.

Any persons owning (directly or indirectly) at least 25% of the aggregate Membership Interests will be obligated to provide certain information and/or documentation to the Company's compliance officer so that the Company can ensure compliance with its obligations under the CTA. Additionally, to further ensure that the Company complies with its obligations under the CTA, Members will be required to provide any applicable information and/or documentation to the Company's compliance officer to determine whether such Member (or any of its direct or indirect owners) has "substantial control" over the Company.

Impact of Diverse Investor Base

The Members may include taxable and tax-exempt entities and may include parties organized or residing in various jurisdictions. As a result, conflicts of interest may arise in connection with decisions made by the Manager that may be more beneficial for one type of Member than for another type of Member.

Risks Related to this Offering

The Company's investment will be limited and not diversified.

It is anticipated that substantially all of the Company's assets will consist of its indirect interest in the Property through the Joint Venture. Currently, the investment in the Property through the Joint Venture and the Property Owner is the only planned investment in the Company. As a consequence, the aggregate return of the Company will be substantially adversely affected by the unfavorable performance of the Property.

Investors' Subscriptions are Binding.

Once an investor's subscription is accepted by the Company, the investor's subscription is binding unless the Company terminates the offering and cancels the investor's subscription. Should any of the investor's capital be expended, and economic or other circumstances prevent the Company from making distributions to Members, no funds will be returned to Members.

Possibility of Raising Less Capital than Anticipated

While we are targeting a capital raise of up to \$24,000,000, there is no assurance that the Company will raise that amount of capital. Moreover, there is no minimum amount that we must raise before we begin accepting subscriptions from investors in this Offering. Accordingly, it is possible that the Company could raise substantially less than the Maximum Offering Amount. If we raise less capital than anticipated, the Company may not acquire the expected aggregate investment in the Property through the Joint Venture and the Company, through the Joint Venture and the Property Owner, may not be able to properly finance the operations of the Property.

Projections and Estimates are Speculative and are Based Upon a Number of Assumptions

Any projected, estimated or pro forma financial results prepared for the Company, the Manager, or their operations have not been independently reviewed, analyzed, or otherwise passed upon, nor have they been prepared in accordance with generally accepted accounting principles (“GAAP”). In addition, actual results may vary materially and are subject to future events and circumstances that can materially affect these estimates. Such “forward-looking” statements are based on various assumptions, which assumptions may prove to be incorrect. Such assumptions include, but are not limited to (i) the future status of local and regional economies, (ii) anticipated demand, (iii) anticipated level of interest rates, (iv) availability of mortgage financing, (v) anticipated real estate tax rates and other operating expenses, (vi) the cost and availability of adequate casualty insurance, and (vii) the ability of the Property to operate profitably. Accordingly, there can be no assurance that such estimates, assumptions and statements will accurately predict future events or actual performance. Any projections or estimates of cash flow and all other materials or documents supplied by the Manager and its affiliates should be considered speculative and are qualified in their entirety by the assumptions, information and risks disclosed with such projections and in this Memorandum. Investors are advised to consult with their own independent tax and business advisors concerning the validity and reasonableness of the factual, accounting and tax assumptions. No representations or warranties whatsoever are made by the Manager, the Company, their affiliates or any other person or entity as to the future profitability of the Company or the results of making an investment in the Interests.

Subsequent Closings’ Dilution

Members subscribing for Interests at Subsequent Closings and Members increasing their capital contributions will participate in the Company, diluting the interest of existing Members therein. Although at each Subsequent Closing, Members will be required to fully contribute their capital contributions (or additional capital contribution), there can be no assurance that this methodology will result in either previously admitted Members or Subsequent Closing Members receiving the benefit of changes in the value of the Property unrelated to their date of admission or increase of their capital contribution. Accordingly, Members may suffer dilution arising from subsequent closings.

Failure to Meet Securities Registration Exemptions

The Interests will not be registered under the Securities Act or any state “blue sky” securities laws. The Manager is structuring this Offering to comply with exemptions from the registration and qualification requirements of those laws. If we fail to qualify for those exemptions, or from exemptions from the registration and reporting requirements of the Exchange Act, we could be required to make rescission offers, to register the Offering, to register the Interests, and/or to comply with the reporting requirements of the Exchange Act. In addition, the Sponsor could face civil and criminal actions. Any of these circumstances would result in a significant increase in the Company’s expenses, which would reduce the value of your investment and our ability to make distributions to our Members.

Unregistered Offering

In a registered public offering of securities, the SEC or state regulatory authority may review the disclosure provided by the issuer and comment upon its compliance with the disclosure requirements of applicable securities laws. Because of the nature of this Offering, there are no specific required disclosures (although the anti-fraud provisions of securities laws are still applicable). Furthermore, there will be no regulatory authority reviewing or commenting upon this Memorandum. In addition, in an underwritten public offering, the underwriter will retain separate counsel, and the underwriter and its counsel will perform due diligence on the issuer. No party has performed or been retained to perform due diligence on the Company, the Manager, the Sponsor, or any of their affiliates or to assess the accuracy or adequacy of this Memorandum. Members must rely on their own knowledge of the market and due diligence in making an investment decision.

The Company, the Manager, the Sponsor and their affiliates have been (and in the future may be) represented by Morris, Manning & Martin, LLP in connection with the formation of the Company and all related activities. No Member other than a Member affiliated with the Manager (an “Affiliated Member”) has been (or will be) represented by Morris, Manning & Martin, LLP in connection with any aspect of the Offering and formation of the Company. It is also contemplated that Morris, Manning & Martin, LLP and other attorneys, accountants and consultants who have previously performed services for the Manager and its affiliates may in the future perform services for the Company, the Manager and their respective affiliates that are unrelated to the Company’s formation, this Memorandum and

Company activities. The Agreement provides that neither Morris, Manning & Martin, LLP nor any other attorney or consultant may be disqualified from representing the Manager, the Company or any of their affiliates in any related or unrelated matter by reason of such multiple representation.

No Public Market

There is currently no, and may never be a, public market for the Interests. In the absence of an active trading market, you may be unable to resell your Interests at the time and for the price you desire.

Unanticipated Risks and Material Adverse Effects

The risk factors discussed herein are not intended to address all conceivable risks associated with an investment in the Company. Other risks, unknown at this time, may also become factors that detrimentally impact the Company and its Members. In addition, certain possibilities are known but considered unlikely. The Manager has broad authority with respect to the Company and while events and circumstances that are known but considered unlikely, or unknown events or circumstances, could develop that could materially adversely affect a Member as a result of its investment in the Company.

Side Letters

The Manager may, on its own behalf or on behalf of the Company, enter into agreements that modify or supplement one or more Members' rights and obligations with respect to its investment in the Company (each such agreement, a "Side Letter"). There is no "most favored nation" clause applicable to the Company's Members generally, and no Member will be entitled (unless the Manager agrees in its sole and absolute discretion) to any rights or obligations agreed to by the Manager with another Member in such other Member's Side Letter.

Certain ERISA Risks

The Manager intends to cause the Company to qualify for an exception under U.S. Department of Labor (the "DOL") Regulations Section 2510.3-101, as modified by Section 3(42) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), referred to as the "Plan Assets Regulation." Compliance with this exception may affect (i) the operations and assets of the Company or (ii) an investor's ability to transfer or to continue to hold its investment in the Company.

The Manager intends to cause the Company to be structured and operated to avoid holding the "plan assets" of "benefit plan investors" (as defined in Section 3(42) of ERISA) ("Benefit Plan Investors"). The Manager intends to comply with this exception by limiting the investment in the Company by Benefit Plan Investors to less than 25%, which may have the result that (i) transfers of Interests in the Company may be limited or (ii) the Interests of some Members may be subject to mandatory sale or redemption. Alternatively, if the Manager relies on the venture capital operating company exception and/or the real estate operating company exception, the Company may be required to decline to make certain investments that it would otherwise prefer to make, or it may be required to sell the Property before it would otherwise prefer to do so.

There can be no assurance that the Company will avoid holding plan assets under the foregoing exceptions. If the underlying assets of the Company were to be considered plan assets of a Benefit Plan Investor, then, among other things, (i) the Manager would be an ERISA fiduciary and the Company would be subject to certain fiduciary requirements of ERISA with which it would be difficult for the Manager to comply and (ii) the Company could be restricted from entering into favorable transactions if the transaction, absent an exemption, would constitute a prohibited transaction under ERISA or the Code.

There are special considerations that apply to investing in the Company on behalf of an employee benefit plan (such as a trust, pension, profit sharing plan or 401(k) plan) or other qualified retirement plans or individual retirement accounts ("IRAs"). Each fiduciary or other person investing the assets of an employee benefit plan or other qualified retirement plan or the assets of an IRA in the Company should determine that:

- the investment is consistent with such person's fiduciary obligations under applicable law, including common law, ERISA and the Code;

- the investment is made in accordance with the documents and instruments governing the trust or the plan or IRA, including a plan’s investment policy;
- the investment satisfies the prudence and diversification requirements of Sections 404(a)(1)(B) and 404(a)(1)(C) of ERISA and other applicable provisions of ERISA and the Code;
- the investment in the Company, for which no trading market exists or is expected to develop, is consistent with, and will not impair, the liquidity of the trust, plan or IRA, including liquidity needed to satisfy minimum and other distribution requirements and tax withholding requirements that may be applicable;
- the investment will not produce an unacceptable amount of unrelated business taxable income (defined below as “UBTI”) for the plan or IRA, given that it is anticipated that our operations will generate UBTI for tax-exempt investors;
- the fiduciary will be able to value the assets of the plan annually (or more frequently, if required) in accordance with ERISA and the Code and applicable provisions of the plan or IRA;
- the investment will not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code; and
- the Company’s assets will not be treated as plan assets of the plan or IRA.

Failure to satisfy the fiduciary standards of conduct and other applicable requirements of ERISA, the Code, or other applicable statutory or common law may result in the imposition of civil and criminal (if the violation is willful) penalties, and can subject the fiduciary to equitable remedies. Investors that are subject to the fiduciary and other standards under ERISA, the Code, or common law could be subject to such penalties in connection with an investment in the Company. ERISA makes plan fiduciaries personally responsible for any losses resulting to the plan from any breach of fiduciary duty. In addition, if an investment in the Company constitutes a prohibited transaction under ERISA or the Code, the “party-in-interest” or “disqualified person” involved in the transaction may be subject to excise taxes, have to compensate the plan for any losses the plan suffered as a result of the prohibited transaction or have to restore to the plan any profits made by such person as a result of the transaction. In the case of a prohibited transaction involving an IRA, the tax-exempt status of the IRA may be lost and all of the assets of the IRA may be deemed distributed and subjected to tax. Investors should consult with counsel before making an investment in the Company. IRA owners are strongly urged to consult with the custodian or trustee of their IRAs before making any investment.

As a general rule, certain employee benefit plans, including foreign pension plans, governmental plans established or maintained in the United States (as defined in Section 3(32) of ERISA), and certain church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA’s requirements and are not Benefit Plan Investors. Any such plan that is qualified and exempt from taxation under Sections 401(a) and 501(a) of the Code may nonetheless be subject to the prohibited transaction rules set forth in Section 503 of the Code and, under certain circumstances in the case of church plans, Section 4975 of the Code. Also, some foreign plans and governmental plans may be subject to foreign, state or local laws which are, to a material extent, similar to the provisions of the prohibited transaction rules in ERISA or the Code. Each fiduciary of a plan subject to any such similar law should make its own determination as to the need for, and the availability of, any exemption relief.

If a trust, plan or IRA invests in the Company, the Code may require withdrawal of required minimum distributions from such trust, plan or IRA in the future. The Company may generate insufficient distributions, and the relative illiquidity of the Interests in the Company may not allow the trust, plan or IRA to sell its Interests on a timely basis or to receive sufficient proceeds, to allow it to satisfy the required minimum distribution requirements. Even if the trust, plan or IRA is able to sell its Interests, such sale may be at a price less than the price at which the trust, plan or IRA initially purchased the Interests. If the trust, plan or IRA fails to withdraw required minimum distributions, it may be subject to certain taxes and tax penalties.

While the Manager believes that the Company’s assets will not be deemed to be “plan assets” for purposes of ERISA and/or the Code, the Manager has not requested an opinion of counsel to that effect, and no assurances can

be given that the Company's assets will never constitute "plan assets." Among other things, ERISA makes plan fiduciaries personally responsible for any losses resulting to the plan from any breach of fiduciary duty, and the Code imposes nondeductible excise taxes on prohibited transactions. If such excise taxes were imposed on the Company, the amount of funds available to make distributions to the Company's Members would be reduced. For more information, see "CERTAIN TAX, SECURITIES, ERISA AND OTHER REGULATORY MATTERS – ERISA Considerations" beginning on page 40 of this Memorandum.

Risks Related to Conflicts of Interest

Manager and Affiliates – Fees and Other Payments

The Manager and its affiliates will receive certain fees and other payments that may create an incentive for the Manager to make more speculative investments on behalf of the Company, to deploy capital more quickly than is prudent, to use greater leverage, or to make other decisions than it would otherwise make in the absence of such arrangements. Although the Manager and its affiliates expect to hold, directly or indirectly, an ownership interest in the Company and, indirectly the Property, the existence of such fees and other payments can incentivize the Manager to not act in the best interests of the Company. See "INTERESTS OF THE MANAGER AND ITS AFFILIATES" and "SUMMARY OF PRINCIPAL TERMS – Related Party or Affiliate Fees" for a more detailed description of fees, reimbursements and other payments to the Company and affiliates.

Guarantees by Manager or Its Affiliates

In connection with certain debt assumed or incurred by the Company, directly or indirectly, the Manager or its affiliates may provide a guarantee. The Manager or its affiliates may be entitled to a fee for providing such a guarantee. The Company will be required to indemnify the Manager and such affiliates for any losses incurred in connection with these guarantees. The party executing a guarantee may be motivated to make decisions regarding the transaction with respect to which such guarantee was given. These decisions may be advantageous to the guarantor, but detrimental to the Company or the Members.

Conflicts of Interest – Other Real Estate Investment Activities

The Manager, the Sponsor and their respective affiliates engage in a broad spectrum of real estate investment activities that are independent from and may from time to time conflict with those of the Company. In the future, instances may arise in which the interests of the Manager, the Sponsor or their affiliates conflict with the interests of the Members or the Company, and there can be no guarantee that such conflicts will be resolved in favor of or to the satisfaction of the Members.

CEDARst previously has sponsored investment vehicles that invest in real estate assets. Other CEDARst sponsored vehicles may operate properties or have investment opportunities in the same market as the Company.

With respect to potential conflicts arising from the Management Team's existing individual investment activities, or other investment vehicles that compete in some manner with the Company, the Company's focus of investments should preclude most such conflicts from occurring. By acquiring Interests, each Member will be deemed to have acknowledged the existence of the actual and potential conflicts of interest described in this Memorandum and to have waived any claim arising from the existence of any such conflict of interest.

Competing Demands on Management Team's Time

Our Management Team is not required to allocate a specific amount of their business time and attention to the affairs of the Company. The working time of the employees of CEDARst and the Management Team investment professionals will be subject to their substantial prior commitments to other business activities, including previous investments and investment vehicles, and potential future commitments to other business activities, investments and investment vehicles.

Risks Related to U.S. Income Tax Matters

THERE ARE TAX RISKS INVOLVED WITH INVESTING IN THE INTERESTS. THE TAX CONSEQUENCES ARE COMPLEX AND WILL NOT BE THE SAME FOR ALL MEMBERS. MEMBERS

ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS BEFORE INVESTING IN THE INTERESTS. THE FOLLOWING IS A DISCUSSION OF SOME OF THE MORE SIGNIFICANT TAX RISKS ASSOCIATED WITH INVESTING IN THE INTERESTS, BUT IT IS NOT EXHAUSTIVE.

Partnership for Tax Purposes

We have not requested a ruling from the Service as to any tax matters or an opinion of legal counsel including whether the Company will be treated as a partnership (and not as an association taxable as a corporation) for U.S. federal income tax purposes. If the Company were to be treated as a corporation rather than as a partnership for U.S. federal income tax purposes, the Company itself would be taxed on its taxable income at corporate tax rates, there would be no flow-through of items of Company income, gain, loss or deductions to the Members, and Company distributions generally would be taxable as dividends. Under present laws and regulations and judicial interpretations thereof, the Manager believes that the Company will be classified as a partnership for federal income tax purposes. Each Member must take into account its allocable share of the partnership items of the Company, whether or not any cash is distributed and, as a result of various limitations imposed by the tax laws, such Member may be unable to currently deduct its allocable share of Company expenses and capital losses, if any. Furthermore, federal, state and local tax laws are subject to change, and Members could incur substantial tax liabilities as a result of such changes. Finally, various aspects of income taxation, including federal, state and local taxation and the alternative minimum tax, produce tax effects that can vary based on each taxpayer's particular circumstances.

Non-Deductible Expenses

The Service could challenge the deductibility of expenses the Company incurs for several reasons, including that those expenses constitute capital expenditures that, among other things, should be added to the Company's cost of acquiring its investments and amortized over a period of time or held in suspense until the Company liquidates or dissolves. In addition, under the Tax Act, certain expenses the Company incurs and certain expenses of the Property that are treated as a partnership for federal income tax purposes, may constitute "miscellaneous itemized deductions," the deductibility of which by individual taxpayers is prohibited by the Tax Act for tax years beginning in 2018 through 2025.

Phantom Tax Liabilities

We may from time to time engage in activities that generate taxable income without making a corresponding cash distribution. For example, we may set aside as reserves cash generated from operations to fund future operations or to support the Property. Additionally, if we structure transactions or otherwise incur cancellation of debt income, it is likely there would not be a corresponding receipt of cash. In addition, certain debt instruments acquired or held by the Company may have original issue discount which could potentially cause Members to be allocated income in a taxable year before the receipt of the cash corresponding to the Property.

Unrelated Business Taxable Income

It is anticipated that our operations will generate unrelated business taxable income ("UBTI") (generally subject to tax at corporate rates) for tax-exempt investors. The Manager is not required to structure the Company's operations to reduce or eliminate UBTI for any tax-exempt investors. In addition, the Manager is not required to attempt to minimize unrelated debt-financed income associated with the use of leverage (which is treated as UBTI under the Code). Thus, tax-exempt investors that invest in the Company should be aware that a significant portion of the Company's income and gain may be treated as UBTI and thus may cause the tax-exempt investors to be subject to U.S. federal income tax (and possibly state and local income tax) with respect to their share of such income and gain.

Avoiding Publicly Traded Partnership Status

No transfer of Interests may be made if it would result in the Company being treated as a publicly traded partnership under the Code. The Manager may, without the consent of any Member, amend the Agreement in order to improve, upon advice of counsel, the Company's position in avoiding publicly traded partnership status for the Company (and the Manager may impose time-delay and other restrictions on recognizing transfers as necessary to do so). If the Company inadvertently became a publicly traded partnership under the Code, it would be subject to corporate level taxation, resulting in double taxation of Company income.

Effectively Connected Income

It is anticipated that the Company will be deemed to be engaged in a U.S. trade or business for U.S. federal income tax purposes. As a result, income of the Company may be treated as effectively connected with such trade or business for such purposes, and a foreign investor holding a direct interest in the Company will be subject to federal income tax each year on its distributive share of the taxable income of the Company that is deemed to be “effectively connected” with a U.S. trade or business and will be required to file a U.S. federal income tax return, as if such investor were a U.S. citizen or resident. A foreign individual who directly invests (without the use of a “blocker” entity) in the Company would also (i) be subject to U.S. (and potentially state) estate tax with respect to the value of his or her Interests in the Company and (ii) have to file state tax returns in states in which the Company and its subsidiaries do business. In addition, regardless of whether the Company’s activities constitute a trade or business, under provisions added to the Code by the Foreign Investment in Real Property Tax Act of 1980 (“FIRPTA”), gain derived by the Company from the disposition of U.S. real property interests (including interests in certain entities owning U.S. real property interests) is generally treated as effectively connected income. Thus, foreign investors that invest in the Company should be aware that a significant portion of the Company’s income and gain from U.S. investments may be treated as effectively connected income and thus may cause the foreign investors to be subject to U.S. federal income tax (and possibly state and local income tax) with respect to their share of such income and gain. The Company has no obligation to minimize effectively connected income.

Possible Audits

The Company, like all entities classified as partnerships for federal income tax purposes, is subject to a risk of audit by the Service. If the Service makes audit adjustments to the federal income tax returns of a partnership, the Service may assess and collect any taxes (including any applicable penalties and interest) resulting from the audit adjustment directly from the partnership, regardless of changes in the composition of the partners (or their relative ownership of the partnership) between the year under audit (the “Reviewed Year”) and the year of the adjustment. The partnership audit rules include an elective alternate method pursuant to which the Company may make an election to require each person who was a Member in the Company during a Reviewed Year to personally bear any tax, interest, and penalty resulting from audit adjustments, regardless of whether such person is no longer a Member in the Company. Furthermore, if the Company is unable (or otherwise fails) to make this election and becomes subject to an entity-level tax, the Agreement provides that each Member agrees to bear its proportionate share of the liability if such person was a Member during the Reviewed Year, even if such person is no longer a Member of the Company at the time the entity-level tax is levied. Accordingly, if a Member transfers its interest in the Company, the Member may still be obliged to pay any tax losses.

The Manager, as the Company’s “Partnership Representative” is responsible for contesting federal income tax adjustments proposed by the Service. In this connection, the Manager may extend the statute of limitations as to the Company and enter into a settlement with the Service. The Bipartisan Budget Agreement Act of 2015, which is generally effective for partnership taxable years beginning after December 31, 2017, significantly altered partnership audit procedures. See “Certain U.S. Federal Income Tax Considerations,” for a more in-depth discussion of these changes.

Members’ Share of Tax Losses

Members will be allocated their pro-rata share of the Company’s tax losses. Code Section 469 limits deductions for losses attributable to passive activities, which are defined generally as activities in which the taxpayer does not materially participate. Any of the Company’s tax losses allocated to investors will be characterized as passive losses, and accordingly, the deductibility of such losses will be subject to Section 469 limitations. Losses from passive activities are generally deductible only to the extent of a taxpayer’s income or gains from passive activities and will not be allowed as an offset against other income, including salary or other compensation for personal services, active business income or “portfolio income,” which includes non-business income derived from dividends, interest, royalties, annuities and gains from the sale of property held for investment. Accordingly, Members may receive no current benefit from their share of the Company’s tax losses unless they are currently being allocated passive income from other sources.

Allocations May Not Be Respected

The Service may successfully challenge the allocations in the Agreement and reallocate items of income, gain, loss, deduction and credit in a manner that reduces anticipated tax benefits. The tax rules applicable to allocation of items of taxable income and loss are complex. The ultimate determination of whether allocations adopted by the Company will be respected by the Service will depend upon facts that will occur in the future and that cannot be predicted with certainty or completely controlled by the Company. If the allocations of the Company are not respected, Members could be required to report greater taxable income or less taxable loss with respect to an investment in the Company and, as a result, pay more tax and associated interest and penalties. Members might also be required to incur the costs of amending their individual income tax returns.

Tax Return Filing Extensions

The Company may not be able to provide final Schedules K-1 to the Members for any given fiscal year until after the original due date for such Member's tax return. The Manager will endeavor to provide Members with estimates of the taxable income or loss allocated to their investment in the Company on or before such date. Any estimates provided to the Members may be different from the actual final tax information, and such differences could be significant. If a Member chooses not to file an extension, such differences could result in interest and penalties to the Member due to underpayment of taxes or loss of use of funds for an extended period of time due to overpayment of taxes. To avoid such an adverse result, Members will be required to obtain extensions of the filing date for their income tax returns at the federal, state and local levels.

No Ruling Requests from the Service

The Company will not seek rulings from the Service with respect to any of the federal income tax considerations discussed in this Memorandum. Thus, positions to be taken by the Service as to tax consequences could differ from positions taken by the Company.

State and Local Taxation

The foregoing discussion does not address the state and local tax consequences of an investment in the Company, and prospective Members again are urged to consult their own advisors with respect thereto.

It should be noted that Members may be subject to state and local taxes, and may be required to file returns in the jurisdiction in which the Company may be deemed to be doing business or own property or in which its income is otherwise sourced. An investment in the Company could subject a Member to taxation by such a state on non-partnership income as well. Some states require the Company to withhold state taxes on Company income sourced in such state to the extent allocable to nonresidents (which amounts so withheld from a Member will be treated as Company distributions to such Member). The foregoing taxation may also be in addition to taxation by the Member's state of residence (which may grant a tax credit for taxes paid in other states). Moreover, the Company itself may be subject to entity-level taxation in certain jurisdictions if it is considered to be engaged in business therein.

The Manager shall have the right, but not the obligation, to file composite state tax returns for the benefit of Members that elect to participate in the filing of such returns (the cost thereof, but not the state tax withholding, will be a Company expense). If the Manager does not file a composite state tax return, or if the Manager does file a composite state tax return but Members elect not to participate in such returns, Members may have to file tax returns in multiple jurisdictions.

Business Interest Expense Deductions

If the Company uses leverage to invest in real estate, the new limitation on deducting business interest expenses, which was introduced as part of the Tax Act, may apply to the Company and its Members. It is currently unknown whether the Company is eligible to make an election to opt-out of the new rules. In addition, depending on the Company's Investment, specifically the Property, the Manager may determine it is not in the Company's best interest to elect out of the application of the new Code Section 163(j) rules. If the limitation on business interest expenses applies, then some tax benefits otherwise seen in historic real estate funds operating prior to the enactment of the new rules may not be available to the Members. For a detailed discussion regarding these new rules, see

“CERTAIN TAX, SECURITIES, ERISA AND OTHER REGULATORY MATTERS – Income Taxation of the Company and Members – Business Interest Expense Limitation” beginning on page 31.

Legislative or Regulatory Tax Changes

In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of the federal income tax laws applicable to investments similar to an investment in the Interests. In particular, on December 22, 2017, President Trump signed the Tax Cuts and Jobs Act (the “Tax Act”) into law. The Tax Act includes sweeping changes to U.S. tax laws and represents the most significant changes to the Code since 1986. Additional changes to the tax laws are likely to continue to occur, and the Company cannot assure Members that any such changes will not adversely affect their taxation, the investment in the Interests or the market value or the resale potential of the Property. Members are urged to consult with their own tax advisor with respect to the impact of recent legislation, including the Tax Act, on their investment in the Interests and the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in the Interests.

None of the Manager, the Management Team, their affiliates, or Morris, Manning & Martin, LLP is providing tax advice to prospective investors. All statements contained in this Memorandum concerning the federal income tax consequences of any investment in the Company are based upon existing law and the interpretations thereof. Therefore, no assurance can be given that the currently anticipated income tax treatment of an investment in the Company will not be modified by legislative, judicial, or administrative changes, possibly with retroactive effect, to the detriment of the Members.

Forward-Looking Statements

We make forward-looking statements in this Memorandum that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, cash flows, EBITDA, results of operations, and plans and objectives. When we use the words “may,” “anticipate,” “expect,” “intend,” “plan,” “believe,” “seek,” “estimate,” “pro forma,” “target,” “continue,” “would,” “could,” “should” and variations of these words and similar expressions, we intend to identify forward-looking statements. Statements regarding the following subjects, among others, may be forward-looking:

- use of proceeds associated with this Offering;
- the state of the U.S. economy generally or in the specific geographic region in which we operate, and the effect of general economic conditions on the real estate industry in particular;
- market trends in the real estate industry, interest rates, real estate values and the capital markets;
- our targeted operating results and cash available for distribution;
- actions and initiatives of the U.S. government and changes to U.S. government policies and the execution and impact of these actions, initiatives and policies;
- our ability to manage our relationships with our management company;
- our ability to obtain and maintain financing arrangements on attractive terms;
- changes in the value of the Property;
- impact of and changes in governmental regulations, tax law and rates, accounting guidance and similar matters;
- changes in personnel and availability of qualified personnel; and
- degree and nature of our competition.

The forward-looking statements are based on our Manager’s beliefs, assumptions and current expectations of future events, taking into account all information currently available to our Manager. Forward-looking statements are not predictions of future events. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity, cash flows and results of operations may vary materially from those expressed in or implied by our forward-

looking statements. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict the occurrence of those matters or the manner in which they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

MANAGEMENT

CEDARst Companies

CEDARst is a national multi-family developer established in 2009. Headquartered in Chicago, with offices in San Diego and Miami, CEDARst employs over 130 employees across its integrated model which includes: development, design, general contracting and property management. Its founders are seasoned real estate professionals with combined experience in excess of 75 years. CEDARst manages \$4 billion in real estate across eight states throughout the United States. CEDARst is committed to providing high quality, well-managed housing, at affordable prices.

CEDARst and its affiliates provide investment services, asset management, development and construction/renovation management for residential assets located throughout the United States.

The Manager believes that CEDARst's vertically and horizontally integrated investment, management and servicing platform will provide the Company with a competitive advantage by enabling the Company, through its relationship with CEDARst, to source and service commercial real estate investment opportunities in the United States and generate above-market, risk-adjusted returns.

Management Team

The Management Team of the Manager and the Sponsor are seasoned investment and operations professionals with many years of experience investing in real estate assets. The Sponsor will have access to the Management Team and other employees of CEDARst, which maintains a team of full-time investment professionals and supporting staff. The Management Team has proven its ability to source potential transactions while acting in the capacity as entrepreneurial investor representatives. This experience is complemented by extensive industry contacts that the members of the Management Team believe create an outstanding potential source of deal flow and fund size critical mass to enable investment diversity. The members of the Management Team are: Alex Samoylovich, William Murphy and Mark Heffron. Biographies of the Management Team members follow.

Alex Samoylovich

Alex is a founder and managing partner of CEDARst Companies. Since the inception of CEDARst, he has sourced, invested in, and managed hundreds of transactions and has been instrumental in the development value of over \$4 billion. Prior to entering real estate, he was an accomplished equity and options trader. Mr. Samoylovich has also founded Livly, a property technology company that enables seamless living between residents and property management via software. In 2016, Alex was named one of Crain's 40 under 40.

William Murphy

Will is a founder, CEO, and Managing Partner of CEDARst Companies. He is responsible for all aspects of the development process and the ongoing management of its portfolio. Will has over 20 years of commercial real estate experience in development and finance, transacting on over \$5 billion, across all major asset classes and domestic markets. Will holds degrees in real estate and finance from the Business School at The University of Wisconsin - Madison. He is a frequent speaker at engagements including the Wisconsin Real Estate Alumni Association, REIA and the Urban Land Institute. He serves as a member of both the Graaskamp Advisory Board and Badgers in Finance.

Mark Heffron

Mark is a founder, CDO, and Managing Partner at CEDARst Companies and is responsible for the execution of all CEDARst developments. Mark supervises design, construction, and development operations while creatively evolving the principles that make CEDARst's branded multi-family product stand out against the competition. With over 17 years of experience, he has successfully completed a variety of award-winning urban revitalization projects that consist of historic preservation, new construction, or both. More specifically, he has specialized expertise in unique renovation and infill projects requiring innovative financing techniques and Historic Tax Credits. Mark graduated from The University of Wisconsin with a degree in Industrial Engineering with a Certificate in Business.

INTERESTS OF THE MANAGER AND ITS AFFILIATES

Expense Reimbursements

The Company will reimburse the Manager, the Sponsor, and their affiliates for all out-of-pocket expenses incurred by them solely for the benefit of the Company, internal and external legal, administrative and accounting fees and other operating expenses of the Company.

Fees Payable to Affiliates

The Sponsor, the Manager and their affiliates are expected to receive various fees for the performance of services for the benefit of the Company and its subsidiaries. These fees generally will be payable regardless of the performance of the Company or subsidiaries for which the related services are performed. All such fees will be market-based and comparable to or below the fees that investors in other real estate ventures pay for similar services, but such fees will not be negotiated on an arm's length basis. The following is a description of the types of fees that may be paid to the Sponsor, the Manager and their affiliates.

Project Fees

The Company and/or the Joint Venture will pay certain project related fees to the Manager and/or Operator (or their designated affiliates), such as (i) an asset management fee equal to two percent (2.0%) of the aggregate capital contributions to the Company, (ii) concurrent with the closing of the sale of the Property, a disposition fee equal to five percent (5.0%) of the difference between the gross sales price of the Property and the closing closes and expenses incurred in connection with such disposition, and (iii) a property management fee equal to three percent (3.0%) of the gross income of the Property.

Affiliate Fees Related to the Offering

Where affiliates of the Sponsor or Manager provide services as a managing broker-dealer or selling group member, the Company may pay such affiliate fees and reimbursements for the services attributable to such party in amounts up to the amounts paid to the Managing Broker-Dealer, as set forth above. The Company currently intends to pay an affiliate of the Sponsor and Manager a wholesaling fee in an amount equal to two percent (2.0%) of the gross proceeds from the sale of the Interests.

USE OF PROCEEDS FROM THE OFFERING

The Manager expects to capitalize the Joint Venture with \$24,000,000 through any combination of capital contributions from JV Members. As such, the Company may raise up to \$24,000,000 in the Offering. Proceeds from the sale of Interests will be used to: (i) assist in the recapitalization of the Property, (ii) help indirectly finance capital expenditures, and (iii) provide working capital to the Company. The following table sets forth our estimated sources and uses of the proceeds raised in this Offering assuming that we raise \$24,000,000 through investments in the Company. The estimated cash flow to be generated by the Company from the Property is shown on the *pro forma* financial results attached hereto as Appendix D.

Company

Sources of Funds:	
Investor Member Capital Contributions ¹	\$23,633,808
Total Sources	\$23,633,808
Uses of Funds:	
Common Equity Broker Fees and Closing Costs ²	\$2,621,734
Capital Contribution to the Property Owner (indirectly through the JV Entity)	\$21,012,074
Total Uses	\$23,633,808

Joint Venture

Sources of Funds:	
Existing HUD Loan	\$42,366,193
Capital Contribution from Company	\$21,012,074
Total Sources	\$63,378,267
Uses of Funds:	
Existing HUD Loan	\$42,366,193
BV Preferred Equity Payoff	\$20,260,703
HTC Exit Costs	\$751,371
Total Uses	\$63,378,267

¹ For purposes of this Sources and Uses chart, the common equity capital contribution to the Joint Venture assumes an aggregate raise amount of \$23,633,808, raised and contributed wholly by the Company.

² Assumes maximum Placement Fees totaling 10% of the aggregate capital contributions to the Company as well as closing costs.

PRIOR PERFORMANCE SUMMARY

The Company's Sponsor has extensive multi-family acquisition, development and operating experience. Since CEDARst's inception in 2009, the firm has acquired and managed more than \$4 billion in multi-family projects.

Upon request, the Manager will provide prospective investors a due diligence report prepared by a third-party summarizing the investment experience and, to the degree fully realized, the performance results of CEDARst and its affiliates. None of the investments listed in the report will be included in the Company; however, many may be similar to those that the Company anticipates acquiring. Prospective investors should not assume that they will experience returns comparable to those experienced in the past by the asset transactions sponsored by CEDARst noted below occurring outside of the Company. The third-party summary was prepared as of the dates set forth therein and the Manager does not expect to obtain updated reports during the offering period.

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CERTAIN TAX, SECURITIES, ERISA AND OTHER REGULATORY MATTERS

Certain U.S. Federal Income Tax Considerations

General

This section contains a general summary of certain U.S. federal income tax and regulatory considerations applicable to investments in the Company by a Member. It does not address all potential consequences of an investor's investment in the Company and does not attempt to address state, local, or foreign tax rules or the treatment of certain classes of investors (such as insurance companies, banks, dealers in securities, other investors who do not own their Interests as capital assets, tax-exempt investors and foreign persons (although a brief discussion of certain matters applicable to tax-exempt investors and foreign persons is included)). The actual tax consequences of the purchase and ownership of Interests will vary depending upon the investor's circumstances. This summary does not constitute tax advice and is not intended as a substitute for an investor's own due diligence in investigating the possible consequences of an investment in the Company and such investor's own tax planning. This summary is based in part on the Code, on the U.S. Treasury Regulations promulgated thereunder (the "Regulations"), and the other statutes cited in this section and the regulations, rulings and judicial decisions relating to such statutes as in effect on the date hereof, all of which are subject to change (with the possibility that any change may be given retroactive effect). Additionally, while this discussion takes into account the impact of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") signed into law on March 27, 2020, it does not take into account any potential modifications thereto by H.R. 133: Consolidated Appropriations Act, 2021, signed into law on December 27, 2020 (the "Consolidated Appropriations Act"). The Manager will undertake to supplement this Memorandum after analyzing the CARES Act to the extent it determines that a supplement would be necessary to correct material information included herein.

CERTAIN TAX CONSEQUENCES TO MEMBERS WILL VARY FROM MEMBER TO MEMBER DEPENDING ON THE MEMBER'S PARTICULAR CIRCUMSTANCES. ACCORDINGLY, EACH PROSPECTIVE MEMBER SHOULD CONSULT ITS OWN ADVISORS REGARDING ALL OF THE ERISA, FEDERAL, STATE, LOCAL AND FOREIGN TAX AND REGULATORY CONSEQUENCES RELATING TO AN INVESTMENT IN THE COMPANY BASED ON EACH MEMBER'S SPECIFIC CIRCUMSTANCES. NONE OF THE MANAGER, THE SPONSOR, THEIR AFFILIATES OR THEIR COUNSEL IS PROVIDING ANY TAX ADVICE TO ANY PROSPECTIVE MEMBER.

This discussion applies only to Members who hold their investment in the Company as a "capital asset" within the meaning of Section 1221 of the Code. This discussion does not address all of the federal income tax consequences that may be relevant to a Member in light of such Member's particular circumstances (e.g., the application of the alternative minimum tax) or because such Member is subject to special rules (e.g., rules applicable to financial institutions, insurance companies, real estate investment trusts, regulated investment companies, brokers and dealers and traders in securities that elect to mark their securities portfolios to market).

In addition, if a partnership or other entity taxable as a partnership holds an investment in the Company, the tax treatment of a partner will generally depend on the status of a partner in, and the activities of, that partnership. This discussion does not address the tax consequences of investing in the Company through a partnership or any other pass-through entity for federal income tax purposes. Moreover, except where specifically indicated, this summary does not discuss the effect of any other federal tax laws (e.g., estate and gift tax), or any state, local, or foreign tax laws.

For purposes of this discussion, a Member may be either a U.S. Member or a Non-U.S. Member. A "U.S. Member" is (i) an individual who is a citizen or resident of the U.S.; (ii) a corporation or other entity taxable as a corporation created in or under the laws of the U.S. or any political subdivision thereof; (iii) an estate, the income of which is subject to federal income taxation, regardless of its source; or (iv) a trust if either (A) the trust is subject to the primary supervision of a court within the U.S. and one or more U.S. persons have the authority to control all substantial trust decisions, or (B) the trust has a valid election in effect under applicable Regulations to be treated as a U.S. person. A "Non-U.S. Member" is a Member that is an individual, corporation, estate, or trust that is not a U.S. Member. As stated above, the following is a summary of the material U.S. federal income tax consequences that will

apply to U.S. Members of the Company. We have, however, included a brief discussion of certain material tax issues specific to Non-U.S. Members.

The Company has not sought and, as of the date hereof, does not intend to seek any tax rulings from the Service or any other tax authorities in respect of any of the matters discussed herein. Each prospective investor is urged to consult its own tax advisor with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and disposition of an investment in the Company.

See “RISK FACTORS – Risks Related to U.S. Income Tax Matters” concerning risks related to income taxes that a prospective Member should consider before investing in the Company beginning on page 16 of this Memorandum.

Partnership Status for U.S. Income Tax Purposes

Classification as a Partnership. The anticipated income tax results from an investment in the Company will depend on the Company being classified as a partnership for federal income tax purposes rather than an association taxable as a corporation. In the event that, for any reason, the Company is treated for federal income tax purposes as an association taxable as a corporation, the Members in such Company entity would be treated as stockholders of a corporation with the following results, among others: (1) the affected Company entity would become a taxable entity subject to the federal income tax imposed on corporations; (2) items of income, gain, loss, deduction and credit would be accounted for by the Company entity on its federal income tax return and would not flow through to the Members; and (3) distributions would generally be treated as dividends taxable to the Members, to the extent of current or accumulated earnings and profits, and would not be deductible by the Company entity in computing its income tax. The effect of application of the corporate system of double taxation would result in a significant increase in the effective rate of tax because of the application of both corporate and individual tax rates to income, conversion of otherwise non-taxable distributions into taxable dividends and conversion of income arising from transactions qualifying for capital gain treatment (i.e., because allocable to a partner that is taxed as an individual) into income taxable at ordinary income rates (i.e., in the hands of an entity treated as a corporation).

The Regulations regarding entity classification operate to allow a business entity that is not otherwise required to be classified as a corporation (i.e., an “eligible entity”) to elect its classification for federal income tax purposes. Under the Regulations, an “eligible entity” that has at least two members will be treated as a partnership in the absence of an election. Accordingly, while the Company does not intend to request a ruling from the Service as to its classification for federal income tax purposes, unless it is deemed to be taxable as a corporation pursuant to the application of the publicly traded partnership rules discussed below, it will qualify as an “eligible entity” and need not make any election to be treated as a partnership for federal income tax purposes.

Based upon the entity classification Regulations, and Service rulings and judicial decisions under Section 7701(a) of the Code, all of which are subject to change, and based upon certain representations of the Manager and other assumptions and limitations, the Company should be treated as a partnership for U.S. federal income tax purposes and not as an association taxable as a corporation. The remaining summary of U.S. federal income tax considerations in this section assumes that the Company will be classified as a partnership for U.S. federal income tax purposes.

Publicly Traded Partnership Issues. If the Company were to be classified as a “publicly traded partnership,” it would be taxable as a corporation and all of its net income distributed to Members would be treated as portfolio income rather than passive income (see “Income Taxation of the Company and Members – Deductibility of Losses and Expenses” below beginning on page 29). A publicly traded partnership is generally defined under the Code as any partnership whose interests are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof. Regulations have been issued (the “Section 7704 Regulations”) that provide guidance with respect to such classification standards, however, and they include certain safe harbor standards that, if satisfied, would preclude the Company or any of its subsidiaries from being classified as a publicly traded partnership (for example, if at least 90% of the Company’s gross income each year consists of certain types of passive income).

The Section 7704 Regulations contain definitions of what constitutes an established securities market and a secondary market or the substantial equivalent thereof, and they set forth what transfers may be disregarded in

determining whether such definitions are satisfied with respect to the activities of a partnership. The Manager does not believe that the Interests are or will be traded on an established securities market or a secondary market or a substantial equivalent as defined in the Section 7704 Regulations. Additionally, the Manager intends to (and has the authority to) take appropriate steps to prevent Interests in the Company from being considered publicly traded. See “SUMMARY OF PRINCIPAL TERMS” and “RISK FACTORS – Risks Related to U.S. Income Tax Matters – Avoiding Publicly Traded Partnership Status.”

Income Taxation of the Company and Members

General. In general, the Company will not itself be a taxable entity for federal income tax purposes. Rather, its items of income, gain, loss, deduction and credit (if any), and the character of such items (e.g., as interest or dividend income, as investment interest deductions or as capital gain or ordinary income), generally will flow through to the Members, with each Member reporting its distributive share of the items on the Member’s federal income tax return for the taxable year that includes the end of the Company year. The Members will be taxed on the Company’s income regardless of whether they receive distributions from the Company. Thus, it is possible that a Member could incur income tax liability with respect to its share of the income of the Company without receiving a distribution from the Company to pay such liability. In general, cash distributions from the Company to a Member (including a deemed distribution from a reduction in the Member’s share of Company liabilities) will not be taxable except to the extent distributions during a year exceed the Member’s share of the Company’s taxable income for the year and the Member’s tax basis in its Interests.

The Company will use the accrual method of accounting to report income and deductions for tax purposes and will prepare its financials using GAAP. It will report on the basis of a taxable year, which is generally the calendar year, or other taxable period as may be required by the Code. The Company will file an annual federal informational tax return, Form 1065, reporting its operations for each taxable year or taxable period to the Service and, after each taxable year or taxable period, will provide Members with the information on Schedule K-1 to Form 1065 necessary to enable them to include in their tax returns the tax information arising from their investments in the Company. Section 6222 of the Code requires that the Members file their returns in a manner consistent with the treatment of the Company items on the Company’s returns, unless a statement is filed with the Service identifying the inconsistency.

Qualified Business Income. On December 22, 2017, President Trump signed the Tax Cuts and Jobs Act into law. The Tax Act adds new section 199A to the Code, which reduces the income tax imposed on qualified business income (“QBI”) derived by an individual, estate or trust from a partnership, S corporation or sole proprietorship by creating a new deduction of up to 20% of the QBI of each individual. Accordingly, the top marginal tax rate on QBI that qualifies for the 20% on under the Act is 29.6%. These provisions are effective for taxable years beginning after December 31, 2017, and will expire on December 31, 2025.

QBI for a taxable year is defined as the net amount of domestic qualified items of income, gain, deduction and loss with respect to the taxpayer’s qualified trades and businesses, which generally means any trades or businesses other than specified service businesses. “Specified service businesses” are professions in the fields of health, law, consulting, athletics, financial services, brokerage services, or any trade or business in which the principal asset of such trade or business is the reputation or skill of one or more of its employees or owners, or which involves the performance of services that consist of investing and investment management, trading, or dealing in securities, partnership interests, or commodities. The Tax Act, however, allows individuals that derive business income from specified service businesses to treat such income as QBI if their taxable income is less than \$383,900 (for married taxpayers filing a joint return) or \$191,950 (for individuals).

The Tax Act limits the deduction for an individual’s QBI to the greater of (a) 50% of the individual’s “W-2 wages” paid with respect to the qualified trade or business, or (b) the sum of 25% of the W-2 wages plus 2.5% of the unadjusted basis of all “qualified property” immediately after its acquisition. Qualified property includes property of a character subject to depreciation and used in production of QBI. Such wages include wages subject to wage withholding, elective deferrals, and deferred compensation paid by the taxpayer during the calendar year. The W-2 wage limit does not apply for taxpayers with taxable income not exceeding \$383,900 (for married taxpayers filing a joint return) or \$191,950 (for other individuals).

QBI does not include certain investment-related income, gains, deductions, or losses. If a taxpayer has negative QBI for a particular year, the amount of such loss can be used to offset QBI in the following taxable year. The Tax Act also excludes from QBI (1) any amount paid by an S corporation that is treated as reasonable compensation of the taxpayer and (2) any amount that is a guaranteed payment for services actually rendered to or on behalf of a partnership. Qualified REIT dividends, qualified cooperative dividends and qualified publicly traded partnership income separately give rise to a deduction of up to 20% of QBI.

MEMBERS SHOULD CONSULT WITH THEIR TAX ADVISORS TO DETERMINE WHETHER THEY QUALIFY FOR THE DEDUCTION UNDER NEW SECTION 199A.

Alternative Minimum Tax Consequences. Prospective Members that are subject to the alternative minimum tax (the “AMT”) should consider the tax consequences of an investment in the Company in view of their AMT position, taking into account the special rules that apply in computing the AMT, including the special limitations as to the use of net operating losses and, in the case of individual taxpayers, the complete disallowance of miscellaneous itemized deductions and deductions for state and local taxes.

Medicare Tax on Net Investment Income. The Health Care and Education Reconciliation Act of 2010 (the “Reconciliation Act”) requires certain U.S. Persons who are individuals, estates or trusts to pay a 3.8% Medicare tax on “net investment income,” which generally includes interest, dividends, annuities, royalties, rents and capital gains, subject to certain exceptions. Such income received directly or via a pass-through entity such as the Company generally will be subject to this tax to the extent that a U.S. Member’s adjusted gross income exceeds a certain threshold. You should consult your tax advisor regarding the effect, if any, of the Reconciliation Act on taxable income arising from ownership and disposition of Interests in the Company.

Tax Basis. The tax basis of a Member’s Interests in the Company is used to determine if gain or loss is realized upon a sale of those Interests or upon the receipt of distributions of cash (including in certain circumstances, certain “marketable securities” treated as cash) from the Company. Additionally and as discussed below, a Member is allowed to deduct its allocable share of Company losses only to the extent of such tax basis. A Member’s tax basis in its Interests in the Company is, in general, equal to its contribution of cash to the capital of the Company, increased by the Member’s allocable share of the Company’s taxable income and liabilities of the Company, and decreased by the Member’s allocable share of the Company’s taxable losses, distributions of cash and other property from the Company to the Member, and reductions in liabilities of the Company.

Company Distributions. Non-liquidating distributions of cash (including in certain circumstances, certain “marketable securities” treated as cash) from the Company to Members in any year will reduce the tax basis of that Member’s Interests in the Company by the amount of such cash distribution. To the extent such distribution exceeds the adjusted basis of the Members Interests in the Company, the Member will be treated as having recognized gain from the sale or exchange of such Interests. In addition, non-liquidating distributions of property other than cash or marketable securities will reduce the Member’s tax basis (but not below zero) in its Interests in the Company by the amount of the Company’s adjusted basis in such property immediately before its distribution but will not result in the realization of taxable income to the Member.

Deductibility of Losses and Expenses. As discussed immediately below, the Code imposes various limitations on the ability of taxpayers to use losses and deductions arising from investments in entities such as the Company. Each Member should consult with its own tax advisor regarding the Member’s ability to deduct losses allocated by the Company based on such Member’s particular circumstances.

Investment Interest. Except as described herein, interest on any amount borrowed by an individual Member to purchase Interests (or fund a capital contribution to the Company) generally will be “investment interest,” which will be deductible only to the extent of the Member’s “net investment income.” For this purpose, net investment income will generally include net income from the Company and other income from property held for investment (other than income treated as passive activity income, described below). Qualified dividend income and long-term capital gain are excluded from the definition of net investment income unless the Member makes a special election to treat such qualified dividend income or capital gain as ordinary income.

Basis Limitation. A Member may not deduct its allocable share of Company losses and deductions in excess of the adjusted basis of the Member's Interests in the Company determined as of the end of the taxable year. Allocated losses that are not allowed may be carried over indefinitely and claimed as a deduction in a subsequent year to the extent that such Member's adjusted basis in its Interests has increased above zero.

Passive Activity Losses. The deductibility of Company losses is limited further by the passive activity loss limitations set forth in the Code. Passive activities generally include any activity involving the conduct of a trade or business in which the taxpayer does not materially participate. It is likely that a Member's Interests in the Company will be treated as a passive activity. Accordingly, Company income and loss, other than interest income that will constitute portfolio income, will generally constitute passive activity income and passive activity loss to the Members. Losses from passive activities are generally deductible only to the extent of a Member's income or gains from passive activities and will not be allowed as an offset against other income, including salary or other compensation for personal services, active business income or portfolio income, which includes non-business income derived from dividends, interest, royalties, annuities and gains from the sale of property held for investment.

"At Risk" Limitation. The deductibility of Company losses is limited further by the "at risk" limitations set forth in the Code. Members who are individuals, estates, trusts and certain closely held corporations will not be allowed to deduct losses in excess of the amounts that such Members are determined to have "at risk" at the close of the Company's taxable year. Generally, a Member's "amount at risk" will include only the amount of its capital contribution to the Company. However, the Code treats certain nonrecourse financing secured by real estate as an amount "at risk" if the loan is from a party engaged in the lending business, is not convertible to equity and, in general, no person has any personal liability for repayment of the liability. A Member's "amount at risk" will be reduced by its allocable share of Company losses and by distributions made by the Company and increased by its allocable share of Company income. Any deductions that are disallowed under this limitation may be carried forward indefinitely and utilized in subsequent years to the extent that a Member's "amount at risk" is increased in those years.

Miscellaneous Itemized Deductions. Prior to January 1, 2018, under section 67 of the Code, individuals could deduct certain miscellaneous expenses (e.g., investment advisory fees, tax preparation fees, unreimbursed employee expenses, subscriptions to professional journals) only to the extent such deductions exceeded, in the aggregate, two percent (2.0%) of the individual's adjusted gross income. For taxable years beginning after December 31, 2017, and before January 1, 2026, the Tax Act suspends the deduction for miscellaneous itemized deductions.

Organizational Expenses. In general, organizational expenses of a partnership must be capitalized and may not be deducted by a partnership or its partners. However, a partnership may elect (i) to deduct organizational expenses of up to \$5,000, subject to certain limits, in its first taxable year and (ii) to amortize any remaining organizational expenses over a 180-month period beginning with the month in which the partnership begins business. Syndication fees (which would include placement agent fees or selling commissions paid by the Company), on the other hand, must be capitalized and cannot be amortized or otherwise deducted. While a Member's share of the syndication fees of the Company is not deductible, it will become a part of a Member's tax basis for its Interests (resulting in a capital loss for a Member upon liquidation of the Company that may offset capital gains allocated to such Member in the year of liquidation, or a reduction in the gain (or increase in the capital loss) upon a sale of the Member's Interests) (if applicable).

Capital Losses. The Company may incur capital losses. Capital losses for a year may only be used to offset capital gains of the Member for such year or future years, plus \$3,000 per year for individuals.

Non-Corporate Loss Limitation. The Tax Act limits the deductibility of excess business losses for non-corporate taxpayers for tax years beginning after December 31, 2017, and before January 1, 2026. Excess business losses are defined as the excess of the taxpayer's aggregate deductions that are attributable to trades or businesses of the taxpayer over the excess of aggregate gross income or gain of such taxpayer for the tax year that is attributable to such trades or businesses, plus \$250,000 (or 200 percent of such amount in the case of a joint return). This loss limitation would be applied after the application of the passive activity rules under section 469. Disallowed excess business losses would be treated as a net operating loss carryforward to the next year. For partnerships and S corporations, the loss limitation would be applied at the partner or shareholder level.

The Coronavirus Aid, Relief, and Economic Security Act (defined above as the “CARES Act”) removes the excess business loss limitation for tax years beginning prior to January 1, 2021, thereby permitting deduction of business losses in excess of the above threshold. For tax years beginning in 2021 through 2026, taxpayers may treat excess business losses as net operating losses for purposes of determining a net operating loss carryforward in the following year.

Character of Income From Sale of Assets. Operating Assets held by the Company for more than one year should qualify as assets described in Section 1231 of the Code. The Company’s gains and losses from Section 1231 property will flow through to and be taken into account as such by the Members on their tax returns. In general, if a Member’s Section 1231 gains for a year exceed its Section 1231 losses, such gains and losses are treated as long-term capital gains and losses (except that a net Section 1231 gain may be ordinary income to the extent of non-recaptured net Section 1231 losses over the preceding five years).

On the other hand, if a Member’s Section 1231 gains for a year do not exceed its Section 1231 losses, such gains and losses are treated as ordinary income and loss. In addition, gain on the sale of property will be ordinary income to the extent the gain represents depreciation or cost recovery recapture (which in the case of a corporation includes a portion of the gain attributable to straight-line depreciation of real property).

It is possible that the Service could take the position that some or all the Company’s assets are inventory property or property held primarily for sale to customers in the ordinary course of business. Under that characterization, the property would not qualify as Section 1231 property and gain (or loss) on the sale would be ordinary income (or loss).

Business Interest Expense Limitation. The Tax Act introduced a new and substantial business interest limitation. Code Section 163(j) provides that a taxpayer will generally be prohibited from deducting business interest expenses (i.e., interest that is properly allocable to a trade or business) that exceed the sum of (i) business interest income and (ii) 30% of adjusted taxable income. For tax years beginning in 2018 through 2021, adjusted taxable income is defined as taxable income other than (1) items not allocable to a trade or business; (2) business interest income and deductions; (3) depreciation, amortization, and depletion; (4) the 20% deduction for qualified business income; and (5) net operating losses. For tax years beginning in 2022, depreciation, amortization, and depletion must be deducted in determining adjusted taxable income. Any disallowed interest under this new rule may be carried forward indefinitely.

The CARES Act provides that for any tax year beginning in 2019 or 2020, the 30% limitation is increased to 50% (except for the 2019 tax year of partnerships, as discussed in more detail below). Further, for tax years beginning in 2020, taxpayers can elect to use their adjusted taxable income for 2019 for purposes of determining their deductible business interest expense, which will likely be higher given the 2020 economic downturn.

Notice 2018-28 clarifies that for purposes of calculating a partner’s annual deduction for business interest expense, a partner can only include business interest income from a partnership to the extent it exceeds business interest expense of that partnership. The forthcoming regulations are expected to provide guidance on whether and to what extent interest expense of a partnership (such as the Company) will be treated as non-business interest, but as of the date of this Memorandum it is unclear whether any distributions made by the Company to the Members would be classified as business interest income.

Taxpayers with average gross receipts of less than \$25 million, based on certain attribution rules, over the preceding three taxable years are generally excluded from the application of the new interest expense limitation. It is currently unknown whether the Company is eligible to make this election. In addition, a taxpayer may make an irrevocable election to be excluded from the new interest expense limitation provision if such person is engaged in a real property trade or business under Code Section 469(c)(7)(C). If a taxpayer makes such an election, it must depreciate non-residential real property, residential real property, and qualified improvement property using the alternative depreciation system, which disallows use of 100% bonus depreciation. The Manager has not yet analyzed whether this election would be advantageous to the Company and its Members.

Finally, if the Company is unable to, or if the Manager determines not to elect out of the application of the new Code Section 163(j) rules, then the Members may be required to make certain basis adjustments in their Interests

based on the application of section 163(j). Prospective Members are strongly encouraged to consult with their tax advisors regarding an investment in the Company with respect to Code Section 163(j).

Allocations of Income, Gain, Loss, Deduction, and Credits

Generally. Section 704(a) of the Code provides generally that partnership items of income, gain, loss, deduction and credit are to be allocated among partners as set forth in the relevant partnership agreement. Section 704(b) provides, however, that if an allocation does not have substantial economic effect, such allocation will instead be made in accordance with the partner's interest in the partnership as determined by taking into account all facts and circumstances. Regulations issued under Section 704(b) of the Code (the "Section 704(b) Regulations") provide complex rules for determining (1) whether allocations will be deemed to have economic effect, (2) whether the economic effect of allocations will be deemed to be substantial, and (3) whether allocations not having substantial economic effect will nonetheless be deemed to be made in accordance with a partner's interest in the partnership.

Substantial Economic Effect Test. The Section 704(b) Regulations provide generally that an allocation will be considered to have economic effect if (1) partners' capital accounts are determined and maintained in accordance with the Section 704(b) Regulations; (2) upon liquidation, liquidating distributions are made in accordance with the positive capital account balances of the partners after taking into account all capital account adjustments for the year during which such liquidation occurs; and (3) the partnership agreement contains a "qualified income offset" provision and the allocation in question does not cause or increase a deficit balance in a partner's capital account at the end of the taxable year. Alternatively, allocations will be considered to have economic effect if, as a result of the allocations, a liquidation of the partnership at the end of each taxable year would produce the same economic results as under the foregoing test. The Regulations refer to this as the "economic effect equivalence" test.

Additionally, the economic effect of the allocations of profits and losses must be "substantial" (i.e., there must be a reasonable possibility that the allocation will affect the dollar amounts to be received by partners, independent of tax consequences). The economic effect of an allocation is presumed not substantial if there is a strong likelihood that the net adjustments to the partner's capital account will not differ substantially from the net adjustments that would have been made in the absence of such allocation, and the total tax liability of the partners for such year is less than it would have been in the absence of such allocations. If the allocations of profits and losses set forth in a partnership agreement do not have substantial economic effect, the allocations will then be made in accordance with the partners' "interests in the partnership" by taking into account all facts and circumstances relating to the economic arrangement of the partners, including relative capital contributions, interests in economic profits and losses (if different from those in taxable income or loss), interests in cash flow and other non-liquidating distributions, and rights to distributions of capital upon liquidation.

The Agreement provides: (1) for the maintenance of capital accounts in accordance with the Section 704(b) Regulations; (2) upon liquidation, liquidating distributions are made in accordance with the positive capital account balances of the partners after taking into account all capital account adjustments for the year during which such liquidation occurs; and (3) a "qualified income offset" provision. Thus, the allocations of the Agreement should have economic effect for purposes of the Section 704(b) Regulations. As well, the Agreement does not provide for allocations that are shifting or transitory within the meaning of the Section 704(b) Regulations. Furthermore, the allocations set forth in the Agreement should satisfy the "overall substantiality test" set forth in the Section 704(b) Regulations because such allocations will determine the amount of cash proceeds that will be received by each partner upon a liquidation of the Company. Therefore, the economic effect of the allocations contained in the Agreement should be "substantial." As a result, the Service should respect the Company's allocations of profits, losses and other tax items among the Members in accordance with the Agreement.

Tax Allocations with Respect to Contributed Property. Pursuant to Section 704(c) of the Code, income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership must be allocated for U.S. federal income tax purposes in a manner such that the contributing partner is charged with, or benefits from, the unrealized gain or unrealized loss associated with the property at the time of the contribution. The amount of unrealized gain or unrealized loss is generally equal to the difference between the fair market value of the contributed property at the time of contribution and the adjusted tax basis of such property at the time of contribution. Under applicable Regulations, partnerships are required to use a

“reasonable method” for allocating items subject to Code Section 704(c), and several reasonable allocation methods are described therein.

Under the Agreement, depreciation or amortization deductions of the Company generally will be allocated among Members in accordance with their Interests, except to the extent the Company is required under Section 704(c) to use a different method for allocating depreciation deductions attributable to its properties which could result in certain Members receiving a disproportionately larger share of such deductions and other Members receiving a disproportionately smaller share of such deductions. In addition, gain or loss on the sale of a property that has been contributed to the Company will be specially allocated to the contributing Members to the extent of any built-in gain or loss with respect to the property at the time of contribution to the Company. It is possible that a Member may (1) be allocated lower amounts of depreciation deductions for tax purposes with respect to properties effectively contributed (in part or in full) by such Member than would be allocated to such Member if each such property were to have a tax basis equal to its fair market value at the time of contribution and (2) be allocated taxable gain in the event of a sale of such contributed properties in excess of the economic profit allocated to such Member as a result of such sale. These allocations may cause a Member to recognize taxable income in excess of cash proceeds received by such Member. In addition, the timing of the allocation to a Member of taxable gain in respect of any built-in gain on contributed properties will depend upon the dates on which such contributed properties are sold, which is unpredictable.

Sale or Exchange of Interests in the Company

Interests are not transferable without the consent of the Manager and subject to other limitations specified in the Agreement. See “SUMMARY OF PRINCIPAL TERMS.” If a Member does sell Interests (or is deemed to do so upon the receipt of payments upon the admission of Members at a subsequent closing or upon the liquidation of the Company), gain or loss will generally be recognized in an amount equal to the difference between (i) the amount realized (the sale proceeds plus the Member’s share of partnership liabilities of which the Member is relieved), and (ii) the Member’s adjusted tax basis in the Interests. If the Interests have been held as a capital asset for more than one year, any gain or loss will generally be long-term capital gain or loss; provided, however, that a capital contribution by the Member within the one-year period ending on such date may cause part of such gain or loss to be short-term. In addition, under Section 751 of the Code, gain from the sale or other disposition of Interests will be treated as ordinary income to the extent of the Member’s distributive share of the Company’s “unrealized receivables” (which is defined to include depreciation recapture property) and “substantially appreciated inventory.” Furthermore, certain individuals, estates and trusts that are Members will be subject to a 3.8% Medicare tax on gains from the sale or other disposition of Interests in the Company.

Special rules may apply to the disposition of Interests by a non-U.S. Member.

Basis Adjustments

Elective Adjustments. If the Company holds equity interests in real estate, under Section 754 of the Code, the Company could elect to adjust the basis of Company property upon the transfer of Interests so that the transferee would be treated, for purposes of calculating depreciation and realizing gain, as though it had acquired a direct interest in Company assets. The Manager has the sole and absolute authority to make a Section 754 election on behalf of the Company. If the Manager determines not to make a Section 754 election, depreciation available to a transferee of Interests will be limited to the transferor’s share of the remaining depreciable basis of Company properties, and upon a sale of a property, taxable income or loss to the transferee of the Interests will be measured by the difference between its share of the amount realized upon such sale and its share of Company tax basis in the property, which may result in greater tax liability than if a Section 754 election had been made. The absence of such a Section 754 election by the Company may result in Members having greater difficulty in selling their Interests.

Mandatory Adjustments. Upon certain transfers of Interests, Section 743 of the Code may require the Company to adjust its tax basis in its assets. Any such adjustment (which is personal to the transferee) could result in the Company allocating more income or gain or less depreciation or loss to a transferee of Interests than would have been allocable to them in the absence of any adjustment. Any transferee will also be required to bear the reasonable costs of complying with Section 743 of the Code.

Certain Special Considerations for Tax-Exempt Investors

Tax-exempt organizations generally are subject to federal income tax on UBTI, generally at corporate rates, except for trusts and IRAs, which are generally taxed on such income at trust rates. If, as anticipated, the Company may use leverage to finance the Property, a portion of the income of the Company will be UBTI under the debt-financed property rules of Section 514 of the Code, absent a specifically codified exception from UBTI in the Code.

Debt-financed property includes property for which there is “acquisition indebtedness.” “Acquisition indebtedness” for these purposes is the amount of any indebtedness incurred directly or indirectly to acquire or improve property, including (a) indebtedness incurred in acquiring or improving property, (b) indebtedness incurred before the acquisition or improvement of property if such indebtedness would not have been incurred but for the acquisition or improvement of the property and (c) indebtedness incurred after the acquisition or improvement of property if such indebtedness would not have been incurred but for such acquisition or improvement and such indebtedness was reasonably foreseeable at the time of the acquisition or improvement.

To the extent the Company recognizes income from the Property or any subsequent investments with respect to which there is “acquisition indebtedness” during a taxable year (for the sake of clarity, other than through a REIT Subsidiary), the percentage of such income that will be treated as UBTI generally will be based on the percentage that the “average acquisition indebtedness” incurred with respect to such Asset is of the “average amount of the adjusted basis” of such Asset during the taxable year. This form of UBTI is referred to as unrelated debt-financed income (“UDFI”). Indebtedness incurred by an exempt organization to acquire or to carry its interest in the Company as a Member will also be treated as “acquisition indebtedness” for these purposes and generate UDFI.

To the extent the Company recognizes gain from the disposition of an Asset with respect to which there is “acquisition indebtedness” at any time during the twelve-month period ending with the date of the Asset’s disposition, the percentage of such gain that will be treated as UBTI will be based on the percentage that the highest amount of such “acquisition indebtedness” is of the “average amount of the adjusted basis” of such Asset during such period.

One exception to the application of the debt-financed property rules is the exception for real property (but such exception does not apply to debt) acquired by a “qualified organization” within the meaning of Section 514(c)(9)(C) of the Code. “Qualified organizations” generally include qualified trusts under Section 401 of the Code, certain educational organizations, and certain corporations and trusts formed for the exclusive purpose of acquiring and holding real property and distributing all of the income derived therefrom to its shareholders or beneficiaries. This exception may apply where a qualified organization is a partner in a partnership that holds real property (not including debt), provided certain additional requirements are met with respect to the partnership.

The Manager does not expect that the Company will be compliant with the “fractions rule” set forth in Section 514(c)(9) of the Code and associated Regulations, and the Manager is not required to structure investments to meet the requirements of the “fractions rule.” Even if the Company is able to comply with the “fractions rule,” tax-exempt investors may have UBTI from assets that are acquired by the Company. Accordingly, tax-exempt investors, whether or not they are “qualified organizations,” should expect to have UBTI from assets that are acquired by the Company.

IRAs through which a person may choose to invest are subject to taxation of UBTI, including as a result of UDFI. In addition, if an IRA realizes more than \$1,000 of UBTI in a taxable year as a result of its investment in the Company (or as a result of its investment in the Company and other investments generating UBTI), the IRA will have a separate tax filing requirement with the Service. Failure to comply with this filing requirement could subject the IRA trustee and IRA to fines, penalties, excise taxes, and potentially result in a loss of the IRA’s tax-exempt status. Investors desiring to invest through an IRA are strongly urged to consult with their individual tax advisors before making such an investment.

The Manager may (but is not required to) elect to structure the Company’s operations to reduce or eliminate UBTI for some or all tax-exempt investors. The Manager currently has no plans to do so.

The Manager will not be liable for the recognition of any UBTI by a Member with respect to an investment in the Company, and prospective Members can expect some or all of their profits from the Company to be UBTI. In

addition, if the Company were considered a dealer in property, gains from the sale of its dealer properties would also generally be UBTI.

THE POTENTIAL FOR HAVING INCOME CHARACTERIZED AS UBTI MAY HAVE A SIGNIFICANT EFFECT ON ANY INVESTMENT BY A TAX-EXEMPT ENTITY IN THE COMPANY, AND MAY MAKE INVESTMENT IN THE COMPANY UNSUITABLE FOR SOME TAX-EXEMPT ENTITIES. TAX-EXEMPT INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSIDERATIONS APPLICABLE TO AN INVESTMENT IN THE COMPANY, INCLUDING ALL ASPECTS OF UBTI.

In addition, as a result of the Company having one or more tax-exempt Members, the assets held directly or indirectly by the Company may constitute “tax-exempt use property” under Section 168(h)(6) of the Code if each Member is not allocated the same distributive share of each item of the Company’s income, gain, loss, deduction, credit and basis and such share does not remain the same during the entire period such Member is a Member of the Company. Depreciable property that constitutes “tax-exempt use property” may be subject to a longer recovery period and certain losses resulting from the leases of such property to a tax-exempt entity may also be deferred or denied for federal income tax purposes. Such characterization of the Company’s assets as “tax-exempt use property” may have a negative impact on the rate of return from the investment in such Asset for taxable investors, although such negative impact is not expected to be significant.

Certain U.S. Federal Income Tax Considerations for Non-U.S. Members

The U.S. federal income tax consequences applicable to prospective Members that are foreign persons generally will depend on whether the Company is deemed to be engaged in a U.S. trade or business. Based on the nature of the investments to be made by the Company, and the nature of the activities contemplated by the Company, the Manager believes that the Company will be deemed to be engaged in a U.S. trade or business. As a result, a Non-U.S. Member holding a direct interest in the Company will be subject to federal income tax each year on its distributive share of the taxable income of the Company that is deemed to be “effectively connected” with a U.S. trade or business and will be required to file a U.S. federal income tax return, as if such investor were a U.S. citizen or resident, regardless of whether the Company makes any distributions. A foreign individual who directly invests (without the use of a “blocker” entity) in the Company would also (i) be subject to U.S. (and potentially state) estate tax with respect to the value of his or her interest in the Company and (ii) have to file state tax returns in states in which the Company and its subsidiaries do business.

A federal withholding tax generally will be imposed on a Non-U.S. Member’s allocable share of any taxable income of the Company that is “effectively connected” with a U.S. trade or business (whether or not such income is distributed). The rate of the withholding tax under Section 1446(b) is currently 37% if the Non-U.S. Member is not a corporation and 21% if the Non-U.S. Member is a corporation. Such withholding tax may be claimed as a credit against such Member’s substantive U.S. tax liability. There also may be state or local tax withholding.

In addition, to the extent that the Company realizes any fixed, determinable, annual or periodical income (such as interest and dividend income) that is not effectively connected with a U.S. trade or business, such income distributed or allocable to a Non-U.S. Member generally will be subject to a 30% federal withholding tax. Such withholding tax may be reduced or eliminated with respect to certain types of such income under any applicable income tax treaty between the United States and the Non-U.S. Member’s country of residence or under the “portfolio interest” rules contained in Code Section 871 or 881, provided that the Non-U.S. Member provides proper certification as to the Non-U.S. Members’ eligibility for such treatment. Any Non-U.S. Member that is a governmental entity qualifying under Code Section 892 may be exempt from the 30% withholding tax.

Each Member generally will be personally liable to the Company with respect to any withholding tax not satisfied out of that Member’s share of any distributions by the Company, plus interest if not repaid on demand.

In addition to the tax matters discussed immediately above, an investment by a Non-U.S. Person in the Company will likely implicate the provisions of FIRPTA. FIRPTA may be applicable due to the fact that the Company is expected to own one or more “United States real property interests.” A “United States real property interest” (a “USRPI”) generally means an ownership interest in real property located in the United States or the U.S. Virgin Islands

and any equity interest in certain domestic corporations or partnerships that hold real property interests, but would not generally include a mortgage loan unless it provided for contingent interest payments based upon the income from or value of the real property securing such loan. Any gain or loss of a foreign person that is realized in connection with the actual or constructive disposition of a USRPI generally would be treated as gain or loss effectively connected with a trade or business engaged in by the taxpayer in the United States and would be subject to federal and possibly state and local income tax. Any gain or loss allocable to a Non-U.S. Member arising from a disposition by the Company of a USRPI would be so taxable, and, upon such a disposition, the Company would be required to withhold a federal tax equal to 35% (or, under the Regulations, equal to 20% in certain circumstances) of such gain realized, unless the Company is required to withhold under the rules described above for the “effectively connected” income of Members.

In addition, to the extent attributable to USRPIs owned by the Company, the amount realized on a sale or exchange by a Non-U.S. Member of its Interests would be treated as received in exchange for a USRPI. Gain or loss, to the extent so attributable, therefore would be subject to federal net income tax and the gross proceeds from such sale or exchange may become subject to a 15% withholding tax. However, if 50% or more of the value of the gross assets of the Company consists of USRPIs and 90% or more of the value of the gross assets of the Company consists of USRPIs plus cash or cash equivalents, then Interests will be treated in their entirety as a USRPI for purposes of such withholding tax. As a result, the entire proceeds of such sale generally would be subject to a 15% withholding tax.

Amounts withheld for federal income taxes may be claimed as a credit against a Non-U.S. Member’s substantive U.S. income tax liability.

Prospective Non-U.S. Members that are foreign corporations also should be aware that the 30% U.S. “branch profits tax” and “branch-level interest tax” imposed by Code Section 884 would apply to an investment in the Company by a corporate Non-U.S. Member, although the tax rate may be reduced or the tax eliminated entirely for residents of certain foreign countries with tax treaties with the United States.

Upon request, the Manager will assist a prospective Non-U.S. Member in establishing a blocker structure to eliminate U.S. tax withholding and reduce or eliminate the amount of U.S. and state tax payable by Non-U.S. Members, and the Manager will discuss such blocker structures with a prospective Member upon request.

Withholding Taxes

The Manager, in its discretion, may withhold and pay any taxes that the Manager deems payable with respect to any Members, as applicable, and any such taxes may be deducted from any distribution otherwise payable to such Members. To the extent the withholding on behalf of a Member exceeds the amount that would be distributed to it, such excess shall be treated as a demand loan made by the Company to such Member that will bear an annual interest rate equal to 10%.

Foreign Accounts and FATCA

Under the Foreign Account Tax Compliance Act (“FATCA”), if certain disclosure requirements related to U.S. accounts or ownership are not satisfied, a federal withholding tax at a 30% rate will be imposed with respect to dividends and interest received by the Company that are allocable to (1) U.S. Members that own their Interests in the Company through foreign accounts or foreign intermediaries and (2) certain Non-U.S. Members. If payment of withholding taxes is required, Non-U.S. Members that are otherwise eligible for an exemption from, or reduction of, federal withholding taxes with respect to such proceeds will be required to seek a refund from the Service to obtain the benefit of such exemption or reduction. The Company will not pay any additional amounts in respect of any amounts withheld, and prospective investors should consult their tax advisors regarding the application of FATCA to an investment in the Company.

State and Local Taxes

The foregoing discussion does not address the state and local tax consequences of an investment in the Company, and prospective Members again are urged to consult their own advisors with respect thereto.

It should be noted that Members may be subject to state and local taxes, and may be required to file returns in jurisdictions in which the Company may be deemed to be doing business or own property or in which its income is otherwise sourced. An investment in the Company could subject a Member to taxation by such a state on non-partnership income as well. Certain of such states may require the Company to withhold state taxes on Company income sourced in such state to the extent allocable to nonresidents (which amounts so withheld from a Member will be treated as Company distributions to such Member). The foregoing taxation may also be in addition to taxation by the Member's state of residence (which may grant a tax credit for taxes paid in other states). However, to the extent that the Company is doing business or owns property through a REIT Subsidiary, such REIT Subsidiary would have such state filing requirement, and Members would generally not have a filing requirement (except to the extent the Company conducts business directly or through a fiscally transparent vehicle in such state). Moreover, the Company itself may be subject to entity-level taxation in certain jurisdictions if it is considered to be engaged in business therein.

Administrative Matters

Audits and Adjustments to Tax Liability. The Bipartisan Budget Agreement Act of 2015, signed into law by President Obama on November 2, 2015 and generally effective for partnership taxable years beginning after December 31, 2017, overhauled partnership audit procedures. The new law repealed both audit rules enacted under the Tax Equality and Fiscal Responsibility Act of 1982 ("TEFRA") as well as the "electing large partnership rules" enacted in 1997.

The new audit rules, as written, do not entitle partners to mount their own defense of the tax position at issue. Under the new law, significant power is vested in a designated "partnership representative." If a partnership's taxable year beginning after December 31, 2017 is audited by the Service, then both the partners and the partnership will be bound by the actions taken by the partnership representative. The Company's Agreement specifies that the Manager is designated as the "partnership representative." As such, if the Service audits the Company, any action or decision by its partnership representative will be the imputed action or decision of each Member.

Like audit procedures prior to January 1, 2018, the new audit procedures provide that any adjustment to a partnership's items of income, gain, loss, deduction, or credit (and any partner's distributive share of such adjustment) is determined at the partnership level. Unlike the law prior to January 1, 2018, however, taxes and penalties associated with such adjustment are assessed and collected at the partnership level, rather than the partner level. The new rules determine any imputed underpayment by netting each partner's adjustments of income, gain, loss, deduction, or credit and multiplying the net adjustment by the highest tax rate in effect for the taxable year under audit (the "Reviewed Year"). Since the Reviewed Year's highest tax rate is applied regardless of the individual partners' tax rate, the partnership may be liable for higher amounts than if the adjustments were made at the partner level. Under the new rules, the partnership will take the adjustment into account in the "Adjustment Year" – the year that the audit or judicial review is complete. As such, the economic burden of an adjustment (and any related penalties) could be shifted from those who were partners in the partnership during the Reviewed Year to the partnership's partners as of the Adjustment Year, although partners will not be held jointly and severally liable for a partnership's tax liability.

Under the new rules, partners continue to be required to treat each item of income, gain, loss, deduction, or credit attributable to the partnership in the same manner as the partnership. A partner who fails to treat such items consistently and who does not satisfy one of the narrow exceptions to this rule may be subject to assessed deficiencies by the Service. Partners are not held jointly and severally liable for the partnership's tax liability. However, the new audit rules provide partnerships with an alternative to payment of any imputed underpayment. Under this alternative procedure, the Company may make an election pursuant to Code Section 6226 to require each person who was a Member during a Reviewed Year to personally bear any tax, interest, and penalty resulting from adjustments based on such audit. By subscribing for Interests in the Company, each Member agrees to the foregoing, even if such person is no longer a partner in the Company (unless a substitute Member has agreed to bear such liability in an appropriate transfer document). Furthermore, if the Company is unable (or otherwise fails) to make an election under Code Section 6226 and becomes subject to an entity-level tax, the Agreement provides that each Member agrees to bear its proportionate share of the liability, even if such person is no longer a Member of the Company (unless a substitute Member has agreed to bear such liability in an appropriate transfer document).

The new law also contains an "opt-out" election where a partnership with 100 or fewer qualifying partners may opt-out of these new rules. However, partnerships with a partnership (or a limited liability company treated as a

partnership for federal income tax purposes) as a partner, would not be eligible for such an opt-out. One or more of the prospective Members of the Company may be a partnership (or treated as such). Therefore, the Company may not be eligible to opt-out of the new rules.

Tax Shelter Regulation. It is not expected that the Company will be required to register as a tax shelter.

Possible Tax Law Changes

The foregoing discussion is only a summary and is based upon existing federal income tax law. Members should recognize that the federal income tax treatment of an investment in the Company may be modified at any time by legislative, judicial, or administrative action, including as part of the current “tax reform” debate within Congress. Any such changes may have a retroactive effect with respect to existing transactions and investments and may modify the statements made above. In particular, the Tax Act includes sweeping changes to U.S. tax laws and represents the most significant changes to the Code since 1986. Members are urged to consult with their own tax advisor with respect to the impact of recent legislation, including the Tax Act and the CARES Act (as defined above on page 26), on their investment in the Interests.

THE FOREGOING DISCUSSION SHOULD NOT BE CONSIDERED TO DESCRIBE FULLY THE FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY. MEMBERS ARE STRONGLY ADVISED TO CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE, LOCAL, AND FOREIGN INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY.

United States Securities Laws

Securities Act of 1933

The offer and sale of Interests will not be registered under the Securities Act, or under applicable state securities laws. The Interests are being offered and sold in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act and/or Rule 506 of Regulation D promulgated thereunder for transactions not involving a public offering.

As a purchaser of the Interests in a private placement not registered under the Securities Act, each Member will be required to represent, among other things, that he, she or it is acquiring the Interests for investment purposes only and not with a view to or for resale, distribution or fractionalization of the Interests, that the Member is an “accredited investor” within the meaning of Regulation D under the Securities Act, and that it has received or had access to all information it deems relevant to evaluate the risks of the prospective investment. A purchaser representing that he, she or it is an accredited investor may also be required to furnish information supporting that assertion, such as an investor questionnaire, copies of tax statements or returns or brokerage statements.

Further, each investor must be prepared to bear the economic risk of the investment for an indefinite period because the Interests cannot be sold unless they are subsequently registered under the Securities Act or an exemption from such registration is available (in addition to the restrictions on transfer contained in the Agreement – see “SUMMARY OF PRINCIPAL TERMS”). It is not contemplated that registration of the Interests under the Securities Act or other securities laws will ever be effected. There is no public market for the Interests, and none is expected to develop.

During the course of the Offering and prior to a purchaser’s investment in the Interests, such purchaser is invited to ask questions of the Manager concerning the terms and conditions of the Offering and to obtain any additional information, to the extent the Manager possesses such information or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information furnished in this Memorandum.

Ownership restrictions may become necessary to reflect changes in the applicable laws and regulations of the United States or any other jurisdiction whose laws may be applicable to the Company. The Manager, as a condition to the acknowledgment and acceptance of any subscription, purchase, continued holding or transfer of Interests, may require satisfactory evidence of compliance with the above restrictions and any restrictions that may be imposed in

the future or that may be required by any current or future law, rule, regulation, or interpretation by any applicable jurisdiction.

Securities Exchange Act of 1934

The Company will be required to register as a public reporting company under the Exchange Act if it has more than \$10,000,000 in assets and its securities are “held of record” by either 2,000 persons, or 500 persons who are not accredited investors. The Company intends to limit the number of persons who hold Interests of record such that the Company will not be required to register as a public reporting company. However, if our Manager determines that it will be in the best interest of the Company and the Members for the Company to have 2,000 or more persons holding Interests of record, the Company will register as a public reporting company. Public reporting companies are required to file current and periodic reports with the SEC, among other reporting requirements. If the Company registers as a public reporting company, the Company would incur substantial additional operating expenses in connection with compliance with the reporting requirements under the Securities Exchange Act. In addition, the Company would be exposed to additional potential for liability for any material misstatement or omission made in any report filed with the SEC.

Investment Company Act of 1940

The Company intends to conduct its operations so that it does not meet the definition of “investment company” set forth in Section 3(a)(1) of the Investment Company Act, and the Manager does not intend to cause the Company to register as an investment company under the Investment Company Act. Accordingly, investors in the Company will not have the benefits of substantive provisions of the Investment Company Act available only to investors in funds registered under the Investment Company Act, including among others, substantive disclosure provisions.

If we were obligated to register as an investment company, we would have to comply with a variety of substantive requirements under the Investment Company Act that impose, among other things:

- limitations on capital structure;
- restrictions on specified investments;
- prohibitions on transactions with affiliates; and
- compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations that would significantly increase our operating expenses.

There can be no assurance that the laws governing the Investment Company Act status of companies such as the Company will not change in a manner that would not adversely affect the status of the Company under the Investment Company Act. If the Company was required to register under the Investment Company Act, the Company would be required to comply with numerous additional regulatory requirements and operational restrictions, which could adversely restrict operations, reduce the value of the Interests and reduce distributions to Members. If we were required to register as an investment company but failed to do so, we would be prohibited from engaging in our business, and criminal and civil actions could be brought against us. In addition, our contracts would be unenforceable unless a court required enforcement, and a court could appoint a receiver to take control of the Company and liquidate our business.

Although the Company entities do not intend to rely on the exemptions in Sections 3(c)(1)³ or 3(c)(7)⁴ of the Investment Company Act, investors will be asked to provide representations and undertakings in order to ensure the

³ Section 3(c)(1) excludes from the definition of “investment company” any issuer whose outstanding securities are beneficially owned by not more than one hundred persons and which is not making and does not presently propose to make a public offering of its securities. Various attribution rules apply to the beneficial ownership test, thus making it important that pass-through entities fully disclose their ownership in the Subscription Documents.

⁴ Section 3(c)(7) excludes from the definition of “investment company” any issuer whose outstanding securities are owned exclusively by “qualified purchasers” and which meets the other conditions contained therein. A “qualified purchaser” includes (among others): (i) a natural person who owns not less than \$5,000,000 in investments, (ii) a natural person or company, acting

availability of these exemptions in the event that the Manager deems it appropriate in the future to rely on them because of changes in the law or available interpretations thereof (or otherwise). Among other requirements, each investor will be asked to agree to comply with restrictions on transfer designed to assure that the Company remains excluded from investment company status. Each investor will also be asked whether such investor is a “qualified purchaser.”

Investment Advisers Act of 1940

Neither the Manager, the Sponsor nor any of their affiliates currently are registered as an investment advisor under the Advisers Act. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”) provided a new regime with respect to the regulation and registration of investment advisors. The Dodd-Frank Act mandates state oversight of investment advisors with up to \$100,000,000 of assets under management (“AUM”) and leaves to the states whether registration at the state level is required for investment advisors with less than \$25,000,000 of AUM. Investment advisors with over \$100,000,000 of AUM must register with the SEC unless they qualify for an exemption.

The Advisers Act applies to advisors providing investment advice with respect to securities. CEDARst intends to monitor its own and the Company’s operations and assets on an ongoing basis and determine when and if the Sponsor or an entity within CEDARst may be required to register at either the state or federal level. If CEDARst determines that such registration is required or desirable, it intends to take appropriate action to cause the appropriate entity to register.

Registration as an investment advisor under the Advisers Act entails certain filing obligations with the SEC and complying with several substantive requirements, including: eliminating or disclosing conflicts of interest, adopting written compliance manuals and procedures designed to prevent violations of the Advisers Act, restricting certain activities of personnel employed by the investment advisor, ensuring client assets are safeguarded from conversion or inappropriate use, adopting privacy policies, adopting a code of ethics, safeguarding client records and information, limiting the types of fees that can be charged to clients, adopting a business continuity plan, undergoing periodic examinations by the SEC, and providing specified disclosures to clients.

At present, CEDARst believes that the current level of AUM that constitute “securities” is under \$25,000,000 and that registration is not therefore required. CEDARst has historically been advising, and expects to continue to advise, primarily on the acquisition, renovation, management and disposition of properties.

Accordingly, investors in the Company will not have the benefits of provisions of the Advisers Act available only to investors in funds advised by registered advisors unless and until CEDARst or one of its affiliates registers under the Advisers Act.

ERISA Considerations

The following is a summary of certain considerations associated with an investment in the Company by employee benefit plans that are subject to Title I of ERISA; plans, IRAs and other arrangements that are subject to Section 4975 of the Code; and entities whose underlying assets are considered to include “plan assets” of such plans, accounts and arrangements (each, a “Plan”). The following summary also addresses certain considerations applicable to plans or arrangements that are subject to provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of the Code or ERISA (collectively, “Similar Laws”). This summary is based on provisions of ERISA, the Code, and the relevant regulations, opinions and other authority issued by the DOL and the Service through the date of this Memorandum and is designed only to provide a general understanding of certain basic issues relevant to a Plan. We cannot assure you that there will not be adverse tax or labor decisions or legislative, regulatory or administrative changes that would significantly modify the statements expressed herein. Any such changes may apply to transactions entered into prior to the date of their enactment.

for its own account or the accounts of other qualified purchasers, that owns/invests on a discretionary basis not less than \$25,000,000 in investments, and (iii) certain trusts.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan and prohibit certain transactions involving the assets of a Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of a Plan or the management or disposition of the assets of a Plan, or who renders investment advice for a fee or other compensation to a Plan, is generally considered to be a fiduciary of the Plan.

In considering an investment in the Company of a portion of the assets of any Plan, a fiduciary should determine, particularly in light of the risks and lack of liquidity inherent in an investment in the Company, whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws. At a minimum, a potential investor should consider whether:

- the investment is consistent with such person's fiduciary obligations under applicable law, including common law, ERISA and the Code;
- the investment is made in accordance with the documents and instruments governing the Plan, including a plan's investment policy;
- the investment satisfies the prudence and diversification requirements of Sections 404(a)(1)(B) and 404(a)(1)(C) of ERISA and other applicable provisions of ERISA and the Code;
- the investment will not impair the liquidity needs of the Plan, including the minimum and other distribution requirements and tax withholding requirements that may be applicable;
- the fiduciary will be able to value the assets of the Plan annually (or more frequently, if required) in accordance with ERISA, the Code and applicable provisions of the Plan;
- the investment will produce an unacceptable amount of UBTI for the plan or IRA, given that it is anticipated that our operations will generate UBTI for tax-exempt investors - see the disclosure above under “– Certain U.S. Federal Income Tax Considerations – Certain Special Considerations for Tax-Exempt Investors);
- the investment will constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code; and
- the Company's assets will be treated as plan assets of the Plan.

If a fiduciary breaches his or her responsibility to take into account such factors, such fiduciary may be held liable for plan losses and may be subject to civil or criminal (if the violation is willful) penalties and excise taxes.

Additionally, ERISA requires that the assets of an employee benefit plan generally be held in trust, and that the trustee, or a duly authorized named fiduciary or investment manager, have authority and discretion to manage and control the assets of the plan. Individuals making investment decisions with respect to a Plan need to determine whether an investment in the Company is appropriate under the custodial or trust agreement governing such Plan. It is highly advisable to confer with the custodian or trustee of a Plan to ensure that an investment in the Company presents no problems under the Plan's custodial or trust agreement.

Plan fiduciaries, including those of IRAs, should note the above disclosure under “– Certain U.S. Federal Income Tax Considerations – Certain Special Considerations for Tax-Exempt Investors.”

Any insurance company proposing to invest assets of its general account in the Company should consider the extent to which such investment would be subject to the requirements of ERISA under any court decisions, legislation, or other guidance that has or may become available, including Section 401(c) of ERISA and the regulations promulgated thereunder.

Section 406 of ERISA and Section 4975 of the Code prohibit Plans from engaging in specified transactions involving plan assets with persons or entities who are “parties in interest,” within the meaning of ERISA, or

“disqualified persons,” within the meaning of Section 4975 of the Code. The acquisition and/or ownership of Interests by a Plan with respect to which the Company is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. Any fiduciary, trustee or custodian of a Plan that proposes to cause such Plan to invest in the Company should consult with its counsel with respect to the potential applicability of ERISA and the Code to such investment and determine on its own whether any exceptions or exemptions are applicable and whether all conditions of any such exceptions or exemptions have been satisfied. The sale of Interests is not a representation by us or any other person that such an investment meets all relevant legal requirements with respect to investments by Plans generally or that such an investment is appropriate for any particular Plan.

The Plan Assets Regulation

The DOL has promulgated the Plan Assets Regulation describing what constitutes the assets of a Plan with respect to the Plan’s investment in an entity for purposes of the fiduciary responsibility provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Assets Regulation, if a Plan invests in an “equity interest” of an entity that is neither a “publicly offered security” nor a security issued by an investment company registered under the Investment Company Act, the Plan’s assets are deemed to include both the equity interest itself and an undivided interest in each of the entity’s underlying assets, unless it is established that the entity is an “operating company” or the equity participation by Benefit Plan Investors is not “significant.”

The Plan Assets Regulation provides that an “operating company” is an entity that is engaged primarily, directly or through a majority-owned subsidiary or subsidiaries, in the production or sale of products or services other than the investment of capital. In addition, the Plan Assets Regulation provides that the term operating company includes an entity qualifying as a “real estate operating company” (“REOC”) or a “venture capital operating company” (“VCOC”).

Generally, an entity is a REOC if: (i) on its “initial valuation date” and on at least one day within each “annual valuation period,” at least 50 percent of the entity’s 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 management or development activities, and (ii) such entity in the ordinary course of its business is engaged directly in the management and development of real estate during the annual valuation period.

Generally, an entity is a VCOC if (i) on its “initial valuation date” and on at least one day within each “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 operating companies in which the entity has management rights, and (ii) such entity, in the ordinary course of its business, actually exercises such management rights with respect to at least one of the operating companies in which it invests. For this purpose, an investment by an entity in a REOC (but not an investment in a VCOC) will be treated as an investment in an operating company regardless of whether the REOC meets the general definition of an operating company above.

The Plan Assets Regulation defines the term “initial valuation date” as the date on which an entity first makes an investment that is not a short-term investment of funds pending long-term commitment. An entity’s “annual valuation period” is defined as a pre-established period not exceeding 90 days in duration, which begins no later than the anniversary of the entity’s initial valuation date. Certain examples in the Plan Assets Regulation clarify that the real estate management and development activities of an entity may be carried out by independent contractors under the supervision of the entity. However, the Plan Assets Regulation does not provide specific guidance regarding what rights will qualify as management rights, and the DOL has consistently taken the position that such determination can only be made in light of the surrounding facts and circumstances of each particular case, substantially limiting the degree to which it can be determined with certainty whether particular rights will satisfy this requirement.

Under the Plan Assets Regulation, equity participation in an entity by Benefit Plan Investors is “significant” on any date if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the value of any class of equity interest in the entity is held by Benefit Plan Investors (the “25% Limitation”). For purposes of making determinations under the 25% Limitation, (i) the value of any equity interests held by a person (other than

a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the entity or any person who provides investment advice for a fee, or any affiliate of such person (each such person or affiliate, a “Controlling Person”), is disregarded, and (ii) an entity that holds plan assets shall be considered to be a Benefit Plan Investor only to the extent of its equity interests held by other Benefit Plan Investors. The definition of a “benefit plan investor” effectively excludes governmental, church and foreign benefit plans, but for purposes of calculating the 25% Limitation includes IRAs.

Interests of the Company sold as part of this offering will not meet the exception for publicly-offered securities as of the date of this Memorandum because the Company will not be registered under the Investment Company Act. The Manager does not believe it likely that it will qualify as an “operating company” for the purposes of the Plan Assets Regulation. Accordingly, the Manager does not intend to attempt to structure its acquisitions and operations in an effort to qualify as an “operating company.” Therefore, if participation in the Company through the acquisition of any equity interest by Benefit Plan Investors is “significant” within the Plan Assets Regulation, the assets of the Company could be deemed to be the assets of Plans investing in Interests.

The Manager intends to limit equity participation by Benefit Plan Investors in the Company to less than 25% of the total value of equity interest in the Company as described above so that the underlying assets of the Company do not constitute “plan assets” of any Plan that invests in the Company. However, there can be no assurance that, notwithstanding the reasonable commercial efforts of the Manager, Benefit Plan Investors will hold less than 25% of the total value of the equity interest in the Company and the underlying assets of the Company will not otherwise be deemed to include plan assets.

If necessary to avoid the Company’s assets being treated as “plan assets” under the Plan Assets Regulation, the Manager will have the right to take whatever action it deems necessary (after consulting with counsel) to avoid its assets being treated as “plan assets” under the Plan Assets Regulation, including to: (i) seek to qualify under another exception under the Plan Assets Regulation, such as the REOC or VCOC exceptions, (ii) delay any closing if, because of the proportion of anticipated investors at the closing who are Benefit Plan Investors the Company believes that delay is necessary for the Company to take action to avoid its assets being treated as “plan assets” under the Plan Assets Regulation, or (iii) require a Member to immediately withdraw from the Company.

Plan Asset Consequences

If the assets of the Company were deemed to be “plan assets” under ERISA, among other things:

- (i) the prudence and other fiduciary responsibility standards of ERISA would apply to investments made by the Company;
- (ii) certain transactions in which the Company might seek to engage could constitute “prohibited transactions” under ERISA and the Code, which, absent an exemption, could restrict the Company from acquiring an otherwise desirable Asset or from entering into an otherwise favorable transaction;
- (iii) the assets of the Company could be subject to ERISA’s reporting and disclosure requirements;
- (iv) the fiduciary causing the Plan to make an investment in Interests could be deemed to have delegated its responsibility to manage the assets of the Plan; and
- (v) the indicia of ownership of the assets of the Company would have to be maintained within the jurisdiction of the district courts of the United States unless certain regulatory exceptions were applicable.

If a prohibited transaction occurs for which no exemption is available, the Manager and/or any other fiduciary that has engaged in the prohibited transaction could be required to (i) restore to the Plan any profit realized on the transaction and (ii) reimburse the Plan for any losses suffered by the Plan as a result of the investment. In addition, each disqualified person (within the meaning of Section 4975 of the Code) involved could be subject to an excise tax equal to 15% of the amount involved in the prohibited transaction for each year the transaction continues and, unless the transaction is corrected within statutorily required periods, to an additional tax of 100%. Plan fiduciaries who decide to invest in the Company could, under certain circumstances, be liable for prohibited transactions or other violations as a result of their investment in the Company or as co-fiduciaries for actions taken by or on behalf of the

Company or the Manager. In addition, Plan fiduciaries that allow a prohibited transaction to occur will breach their fiduciary duties under ERISA and may be liable for any damage sustained by the Plan, as well as civil penalties and criminal penalties, if the violation is willful. **With respect to an IRA that invests in the Company, the occurrence of a prohibited transaction involving the individual who established the IRA, or his or her beneficiaries, would cause the IRA to lose its tax-exempt status.**

If the Manager determines that because of the application of ERISA to any Member, the Company, the Manager or any Member could be materially and adversely affected, the Manager may dissolve the Company, or cause the Interests of certain Members to be redeemed or sold, or cause a portion of the Interests of certain Members to be redeemed or sold, or make necessary amendments to the Agreement.

Restrictions on Purchase of Interests

The Manager intends to limit equity participation by Benefit Plan Investors so that participation is not considered “significant” as defined in the Plan Assets Regulation. Accordingly, each purchaser or transferee (if any) of Interests will be required to represent and warrant a) whether or not it is a Benefit Plan Investor, and b) whether or not it is a Controlling Person. Each purchaser or transferee (if any) will also be required to represent and warrant that its purchase and holding of Interests does not constitute a fiduciary breach or a non-exempt prohibited transaction under ERISA, the Code, or any Similar Law or a violation of applicable law. Although the Company intends to restrict the acquisition of Interests by Benefit Plan Investors so that such Interests in the aggregate are not “significant,” there can be no assurance that the ownership of Interests by Benefit Plan Investors will always remain below the threshold established under the Plan Assets Regulation and the Manager may elect to abandon reliance on the 25% Limitation in favor of the operating company exemption from plan assets treatment.

Foreign, Governmental and Church Plans

As a general rule, certain employee benefit plans, including foreign pension plans, governmental plans established or maintained in the United States (as defined in Section 3(32) of ERISA), and certain church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA and are not Benefit Plan Investors. Any such plan that is qualified and exempt from taxation under Sections 401(a) and 501(a) of the Code may nonetheless be subject to the prohibited transaction rules set forth in Section 503 of the Code and, under certain circumstances in the case of church plans, Section 4975 of the Code. Also, some foreign plans and governmental plans may be subject to foreign, state or local laws which are, to a material extent, similar to the provisions of ERISA or Section 4975 of the Code. Each fiduciary of a plan subject to any such Similar Law should make its own determination as to the need for and the availability of any exemption relief.

Requests for Information

The Company reserves the right to request from any Member or prospective Member such information as it deems necessary to monitor its investment’s relation to plans and/or compliance with the Plan Assets Regulation.

The Manager will require fiduciaries of a Plan proposing to invest in the Company to represent that they have been informed of and understand the Company’s investment objectives, policies and strategies, and that the decision to invest in the Company was made with appropriate consideration of relevant investment factors with regard to the Plan and is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA, the Code, and applicable Similar Laws.

Plan Liquidity

Plan investors should consider the limited liquidity of an investment in the Company as it relates to the minimum distribution requirements of the Code, if applicable, and as it relates to other distributions (such as, for example, cash out distributions) that may be required under the terms of the Plan. Plan investors should also consider whether the limited liquidity of an investment in the Company could impair the Plan’s withholding or other tax obligations.

Reporting Requirements

Fiduciaries of Plans may be required to determine the fair market value of the assets of such Plans on at least an annual basis and, sometimes, more frequently. In addition, fiduciaries must provide Plan participants with a statement of the value of the Plan every three years, every year, or every quarter, depending on the type of plan involved, and, in the case of an IRA, a trustee or custodian of the IRA must provide the Service with a statement of the value of the IRA each year. To enable fiduciaries of Plans subject to annual reporting requirements under ERISA to file annual reports as they relate to an investment in the Company, fiduciaries will be furnished with the Company's determination of value attributable to the Interests of the applicable Members as of the close of each of the Company's fiscal years consistent with the Company's valuation policy. There can be no assurance (i) that such value could or will actually be realized by the Company or by investors upon liquidation, (ii) that investors could realize the reported value if they were able to, and were to, sell their Interests, or (iii) that the value would be sufficient to enable fiduciaries or IRA custodians to comply with ERISA, the Code or other regulatory requirements or the contractual agreements that may exist between a third party administrator or IRA custodian or trustee. Plan investors should consider whether an investment in the Company will inhibit the Plan's ability to value its plan assets in accordance with ERISA, the Code and the terms of the Plan.

PLANS OR TRUSTEES OF IRAS CONSIDERING INVESTING IN THE COMPANY SHOULD CONSULT WITH THEIR ERISA AND TAX ADVISORS REGARDING SUCH INVESTMENT, INCLUDING IN PARTICULAR THE APPLICATION OF THE PLAN ASSETS REGULATION WITH RESPECT TO THE COMPANY.

Anti-Money Laundering Requirements and Regulations

The United States and many other jurisdictions have created, and continue to revise and create, anti-money laundering, embargo and trade sanctions, and similar laws, regulations, requirements (whether or not with force of law) and regulatory policies, and many financial institutions have created, and continue to change, responsive disclosure and compliance policies (collectively "Requirements"). The Company or the Manager could be requested or required to obtain additional information to verify the identity of potential and existing Members, obtain certain assurances from the Members subscribing for Interests, disclose information pertaining to them to governmental, regulatory, or other authorities or to financial intermediaries or other relevant third parties, or engage in due diligence or take other related actions in the future. It is the policy of the Company and the Manager to comply with any Requirements to which any of the Company and the Manager or their respective agents and affiliates (including the Sponsor) may become subject and to interpret them broadly in favor of disclosure. Each prospective Member will be required to agree in the Subscription Agreement included in the Subscription Documents (the "Subscription Agreement"), and will be deemed to have agreed by reason of owning any Interests, that it will provide additional information or take such other actions as may be necessary or advisable for the Company (in the sole discretion of the Manager) to comply with any Requirements, related legal process or appropriate request (whether formal or informal).

Each prospective Member, by executing its Subscription Documents, will consent, and by owning Interests will be deemed to have consented, to disclosure by the Company, the Manager, the Sponsor, and their respective agents and affiliates to relevant third parties of information pertaining to such Requirements and any other requirements or information requests related thereto. In addition, the Company and the Manager and their respective agents and affiliates will disclose any and all information required or requested by governmental or other authorities as required by or in connection with the U.S. Bank Secrecy Act, as amended by the USA PATRIOT Act, and other anti-money laundering, anti-terrorism and similar laws, rules and regulations including, without limitation, Executive Order 13224.

Each prospective Member will be required to agree in its Subscription Agreement that it will provide additional information or take such other actions as may be necessary or advisable for the Company, in the sole judgment of the Manager, for anti-money laundering purposes. In the event of a delay or failure by the Member to produce any such requested information, the Company may refuse to accept the Member's investment. Each Member will also agree in its Subscription Agreement to indemnify and hold harmless the Company, the Manager, and the Sponsor for any failure on the part of such Member to cooperate as provided above or for providing incomplete or incorrect information in its Subscription Agreement or other request.

The Manager will use reasonable commercial efforts at the Company's expense to cause the Company, the Manager, and their respective agents and affiliates to comply with the Requirements, including without limitation the U.S. Bank Secrecy Act, as amended by the USA PATRIOT Act, and other anti-money laundering, anti-terrorism and similar laws, rules, and regulations including, without limitation, Executive Order 13224.

In order to ensure compliance by the Company and the Manager with these requirements, the Manager may request each Member to provide documentation verifying, among other things, such Member's identity and source of funds used to purchase its Interests. Each Member will be required to represent that the funds contributed by it to the Company are not derived from any criminal enterprise. Each prospective Member will represent in its Subscription Agreement that neither the Member nor its principals, beneficial owners, senior management officials or investors are named on or blocked by the prohibited lists or sanction programs maintained by the U.S. Treasury Department. Requests for documentation and additional information may be made at any time during which a Member holds Interests. The Manager may provide this information, or report the failure to comply with such requests, to appropriate governmental authorities, in certain circumstances without notifying the Members that the information has been provided. The Company reserves the right to require any payment or distribution to a Member to be paid into the account from which the Member's subscription funds originated.

The Company and the Manager reserve the right to request such information as is necessary to verify the identity of a prospective Member and to request such identification evidence in respect of a transferee of Interests. In the event of delay or failure by the prospective Member or transferee to produce any information required for verification purposes, the Company or the Manager may refuse to accept the application or (as the case may be) to register the relevant transfer, and (in the case of subscription of Interests) any funds received will be returned without interest to the account from which such funds were originally debited, and/or remove the Member from the Company.

The Company and the Manager also reserve the right to refuse to make any distribution or other payment to a Member if the Manager suspects or is advised that such payment might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Company, the Manager, the Sponsor or their affiliates with any such laws or regulations in any relevant jurisdiction.

SUMMARY OF PRINCIPAL TERMS

This summary (“Summary of Principal Terms”) describes the offering of Interests in the Company. This information is qualified in its entirety by, and should be read in conjunction with, the Agreement attached hereto as Appendix A and Subscription Documents attached hereto as Appendix B. Investors’ rights in the Company will be governed by the Agreement. To the extent that the terms described in this Summary of Principal Terms are inconsistent with or contrary to the terms described in the Agreement, JV Agreement, or Subscription Documents, the terms of the Agreement, JV Agreement, and Subscription Documents will control.

- THE COMPANY:** Cedar Adams Shareholder LLC is a Delaware limited liability company formed to make investments principally in the Property (as defined below in “**INVESTMENT OBJECTIVES/STRATEGY AND INVESTMENT DESCRIPTION**”). The Company intends to offer, to a limited number of prospective investors, the opportunity to make capital contributions to, and become Members of, the Company. The investment strategy of the Company, is to invest principally in the Property. The Company’s investors will become members in the Company.
- MANAGER:** 30 East Adams Manager LLC, a Delaware limited liability company. The Manager is owned and controlled by Alex Samoylovich, William Murphy and Mark Heffron.
- INVESTMENT OBJECTIVES/STRATEGY AND INVESTMENT DESCRIPTION:** The Company’s primary objective is to invest, indirectly through BV/Cedar 30 East Adams JV, LLC, a Delaware limited liability company (the “Joint Venture”), in that certain real property located at 30 E. Adams St., Chicago, Illinois, together with any improvements currently situated and/or to be constructed thereon and personal property located thereon (the “Property”), owned by 30 East Adams Property, LLC, an Illinois limited liability company (the “Property Owner”).
- SIDE LETTERS:** The Manager may, on its own behalf or on behalf of the Company, enter into a side letter or other agreement (a “Side Letter”) with any Member without the consent of any other Member, which such Side Letter may include terms that differ from those set forth in this Memorandum or in the Agreement (and are confidential to such Member except as provided in a Member’s Side Letter). No Member will have a right to any particular Side Letter terms solely because they were offered to another Member in the Company, and there is no “most favored nation’s clause” for the Company. No Member will be entitled to any more favorable provision than is set forth in the applicable documents for such Member.
- OFFERING:** The Company is seeking to raise \$24,000,000 (the “Maximum Offering Amount”) from accredited investors who will purchase Interests and will become Members of the Company.
- MANAGEMENT INVESTMENT:** The Manager may invest in the Company in an amount at the sole and absolute discretion of the Manager up until the Offering Termination Date. The Manager’s affiliates may co-invest in the Company as Members, which Capital Contribution may be made directly or indirectly through the contribution of cash and/or intangible assets. Any such investment as a Member in the Company by an affiliate of the Manager may be made as individuals or through entities. Affiliates of the Manager that become Members constitute the “Affiliated Members.”
- MINIMUM CAPITAL CONTRIBUTION:** The minimum Capital Contribution of a Member is expected to be \$50,000, but the Manager reserves the right to accept Capital Contributions of a lesser amount, in its sole and absolute discretion. Each Member’s capital contributions to the Company are referred to herein as that Member’s “Capital Contributions.”

CLOSINGS/OFFERING PERIOD:

The Company expects to hold its first closing (the “Initial Closing”), when the Company receives its first subscription(s) for Capital Contributions, which may be Capital Contributions from the Manager and/or its affiliates. The Initial Closing will occur at a time determined by the Manager. The offering period of the interests in the Company commenced on the date of this Memorandum and shall extend for a period from such date up to the earlier of (i) the date the Company raises the Maximum Offering Amount, or (ii) the first anniversary of the date of this Memorandum, subject to an additional six-month extension in the Manager’s sole discretion (such date, the “Offering Termination Date”); provided however that the offering period may be terminated earlier in the sole and absolute discretion of the Manager. Until the Offering Termination Date, the Manager anticipates having subsequent holdings (each, a “Subsequent Closing”) at which it may admit one or more additional Members or permit any Member to make additional Capital Contributions at additional closings.

CAPITAL CONTRIBUTIONS:

Capital Contributions will be required to be made on or prior to becoming a Member in an amount set forth in each Member’s Subscription Documents. Each Member’s Capital Contributions will be expressed in the form of Interests. The number of Interests held by a respective Member, as compared to the total number of issued and outstanding Interests, constitute that Member’s “Percentage Interest.”

Each Capital Contribution will be payable to an account as directed by the Manager by wire transfer in immediately available funds or by check (subject to clearance of such payment by check in lieu of wire transfer and approval by the Manager in its sole and absolute discretion).

CAPITAL ACCOUNT ALLOCATION OF PROFIT AND LOSS:

The Company will maintain an account (a “Capital Account”) for each Member. The Capital Account of each Member will be credited with the Capital Contributions of the Member and the Member’s share of the taxable income of the Company and will be debited to reflect distributions to the Member, the Member’s allocable portion of Company Expenses (as defined below on page 50), Placement Costs (as defined below on page 49) attributable to such Member’s Interests, and the Member’s share of any net loss.

The Manager or another affiliate of the Manager will supervise the Capital Account allocations and the allocation of income, gains, losses (which, for purposes of clarification, Placement Costs shall not be taken into account in determining losses) and deductions for tax purposes among the Member of the Company by the accountants in accordance with the Agreement, which allocations will be made so as to cause the Capital Accounts of the Member to be at levels that equal their intended priority distributions described below. These determinations, made in good faith by the Manager and the Company’s tax advisors, will be final and binding on all Members (absent manifest error). Each Member will be specially allocated Placement Costs to be borne by such Member as described in the prior paragraph.

ADDITIONAL CAPITAL:

In the event the Manager believes the Company needs additional capital, the Company will be permitted to borrow funds from Members, from the Manager or its affiliates, or from third parties at market rates, or such other rate as is approved by the Manager, and shall include such other standard market terms as determined by the Manager in its sole but reasonable discretion.

TERM:

The term of the Company is perpetual from the date of filing of the Certificate of Formation with the Secretary of State in Delaware, unless the Company is earlier

dissolved in accordance with either the provisions of the Agreement or the Delaware Act. It is anticipated that the Company will hold its interests in the Property, indirectly through the Joint Venture, for approximately four to five years.

DISTRIBUTIONS:

Subject to the other provisions contained in Article IX of the Agreement, Distributable Cash (which generally means gross receipts, less expenses, less amounts to fund reserves) of the Company received from cash flows, indirectly from the Property Owner, or otherwise, for any period will be distributed to the Members in the following order of priority:

1. Payment of Priority Capital Preferred Return. First, to the Members in proportion to the amounts necessary to cause each Member to have received a preferred return (calculated like interest) equal to 8% per annum on such Member's aggregate Priority Capital contributions.
2. Return of Priority Capital Contributions. Next, to the Members in proportion to their respective Unrecovered Priority Capital contributions until the Members have received a return of all of their Additional Capital Contributions.
3. Payment of 8% IRR. Next, to the Members pro rata in proportion to their percentage interests to cause each Member to achieve an 8% internal rate of return on their Capital Contributions.
4. Pro Rata. Next, to the Members in proportion to their respective percentage interests.

RELATED PARTY OR AFFILIATE FEES:

Asset Management Fee. The Company shall pay to Manager or its affiliate an asset management fee equal to two percent (2%) of total Capital Contributions to the Company.

Other Fees. Without the consent of any Member, the Manager may cause the Company or the Property Owner to enter into any contract or agreement with, or pay any fee or compensation to, any Member, Manager or affiliate thereof so long as such contract or agreement, and related fee or compensation, are on arm's length terms that are competitive with terms that could be obtained with a third-party service provider.

THIRD PARTY AND AFFILIATE SERVICES:

The Company may, in the sole and absolute discretion of the Manager, retain third parties for necessary services relating to the assets held by the Company, including but not limited to leasing and property management services. The Manager or its affiliates may provide some or all of such services, for which they may receive the Project Fees and other compensation at market rates.

MANAGING BROKER DEALER:

The Company expects to pay Arkadios Capital, LLC, a Georgia limited liability company (defined above as "Arkadios") and a member of the Financial Industry Regulatory Authority (FINRA), selling commissions, managing dealer fees, and/or oversight fees ("Placement Costs") for placement services relating to the Offering, all or a part of which may be reallocated to one or more placement agents selected by Arkadios (any such Placement Agent, including Arkadios). In no event will the aggregate Placement Costs exceed 10% of the gross proceeds of the Company's sale of Interests to Members. Additionally, the Company, in the discretion of the Manager, may reimburse a Placement Agent for reasonable expenses in connection with such Placement Agent's offering activities on behalf of the Company.

- OTHER EXPENSES:** The Company will reimburse the Manager or its affiliates for reasonable expenses incurred by such entity on behalf of the Company, or for certain personnel costs reasonably allocated to the Company. The Manager will bear all other day-to-day overhead expenses incurred by it in the operation of its business. The Company and its subsidiaries, except as noted above, will bear all other expenses (“Company Expenses”) related to their organization and operation.
- REPORTS TO MEMBERS:** The Manager will provide reports, including a balance sheet, statement of profit and loss, and changes in Members’ accounts, and a statement of cash flows, at least annually to the Members as soon as practicable following the end of each Fiscal Year of the Company. All such reports shall be prepared by an independent certified public accountant. The Manager will also provide to the Members a summary report on the status of the Property on a quarterly basis.
- TRANSFERS AND WITHDRAWALS:** A Member may not sell, assign, transfer, pledge or hypothecate any portion of its Interests without the prior written consent of the Manager (which consent may be given or withheld in the sole and absolute discretion of the Manager), provided that transfers to Permitted Transferees (as defined below) of a Member will be permissible in all respects.
- “Permitted Transferee” means, with respect to a Member seeking to Transfer its Interest, (i) a trust established for the benefit of such Member and/or his or her immediate family for bona fide estate planning purposes, or (ii) an Affiliate of such Member in connection with the restructuring of such Member; *provided*, that in each of clauses (i) and (ii), such Members retains control of and the right to vote such Interest.
- No such transferee will become a substituted Member without the consent of the Manager, which consent may be given or withheld in the Manager’s sole and absolute discretion. No Member may withdraw from the Company.
- VALUATION:** The Manager will value the Property annually, using a methodology permitted under GAAP applied in good faith by the Manager, as of or before December 31 of each year. The Company will provide annual reports setting forth the then current valuation of the Property. The Property will not be appraised (annually or otherwise), unless otherwise determined by the Manager in its sole and absolute discretion. Any appraisals will be at the Company’s expense.
- AMENDMENTS:** The Agreement may be amended from time to time with the consent of the Manager and a majority of all Percentage Interests of the Members. The Manager has the right to amend the Agreement without consent of the Members in order to: (i) add to the Member’s duties or surrender any right or power granted to it; (ii) correct errors, cure ambiguities, respond to changes in the law and make changes for the benefit of the Members; (iii) delete or add any provision requested by any federal or state “blue sky” agency to the extent deemed to be for the benefit or protection of some or all of the Members; (iv) effectuate the admission or withdrawal of Members in accordance with the terms of the Agreement; (v) make amendments to the Agreement without the consent of a Member in order to reflect changes made to the Agreement in response to the comments of Members admitted at Subsequent Closings if such amendments do not adversely affect such previously admitted Member; and (vi) improve the Company’s position in (A) satisfying any Investment Company Act exemptions, (B) qualifying for any applicable ERISA plan asset exemptions, (C) sustaining any tax positions of the Company or those of any of its Members upon the advice of its tax advisors (including with respect to UBTI), (D) avoiding publicly traded status for the

Company, or (E) preventing the Members' final Capital Accounts from deviating from the intended priority cash Distributions described in the Agreement by amending the allocation provisions (collectively, the "Unilateral Amendments"). The Manager will send copies of any such Unilateral Amendments to all Members.

RISK FACTORS:

Investment in the Company is subject to significant risks. See "RISK FACTORS" herein.

**CONFIDENTIALITY
OBLIGATIONS:**

Members will be subject to customary confidentiality restrictions with respect to the Company's and the Manager's confidential information (subject to customary exceptions thereto). The Manager will have the right to show any Member's Side Letter to (or provide a Member's identity and investment in the Company or co-investment with the Company and any affiliates) any other Member, prospective investor, lender, other prospective investor in a subsequent fund, prospective members or other persons if the Manager believes it will be beneficial to the Company's business or that of another entity sponsored by the Manager and its affiliates (and to its professionals under a duty of confidentiality). However, the Manager will have no obligation to do so except to the extent provided for in a Manager's Side Letter.

**UNRELATED BUSINESS
TAXABLE INCOME:**

Tax-exempt investors may have UBTI (subject to tax at corporate rates) from the Property. The Manager may (but, the Manager is not required to) structure its operations to reduce or eliminate UBTI for some or all tax-exempt investors. The Manager may (but, the Manager is not required to) use reasonable commercial efforts in order to attempt to minimize unrelated debt-financed income and UBTI for "qualified organizations" (as such term is defined in the Code). Notwithstanding the foregoing, the Manager will not be liable for the recognition of any UBTI by a Member with respect to an investment in the Company, and potential investors can expect some or all of their profits from the Company to be UBTI. Each Member should consult with its own tax advisor regarding the federal, state, local and foreign tax considerations applicable to an investment in the Company.

TAX CONSIDERATIONS:

The Company is intended to be treated as a partnership for federal tax purposes, and each Member will be treated as a partner for tax purposes. Each Member, as a partner in the Company for tax purposes, will be entitled and required to include its allocable share of income, gains, losses, and deductions in computing its income tax liability for a period, regardless of whether it receives any distributions for such period. Tax allocations will be made as needed to cause Capital Accounts to match the priority of distributions above in "DISTRIBUTIONS". Each Member should consult its tax advisor concerning federal, state, local, foreign and other tax consequences arising from its investment in the Company.

The Manager will be the "partnership representative" of the Company (as described in Section 6223(a) of the Code) (the "Partnership Representative"). The Partnership Representative will make all tax elections for the Company and settle any controversies with taxing authorities at the Company's expense. The Partnership Representative may extend the statute of limitations with respect to all tax items for the Company for all Members and may settle any dispute with a taxing authority for the Company.

With respect to any federal, state or local income tax, if for any reason the Company is required to make a payment for any underpayment of tax or related interest or penalty as a result of an audit by the Service or other taxing authority or any administrative or judicial proceeding in connection therewith, (i) the Company will

allocate any such assessment among the current and/or former Members of the Company for the “reviewed year” to which the assessment relates in a manner that reflects the current and/or former Members’ respective Interests in the Company for that reviewed year based on each such Member’s share of such assessment as it would be if the Company amended the tax returns for such reviewed year and such Member incurred the assessment directly (using the tax rates reasonably determined by the Manager to be applicable) and (ii) each current and former Member to which this assessment relates shall pay to the Company such Member’s share of the assessed amounts, including such Member’s share of any additional accrued interest assessed against the Company relating to such Member’s share of the assessed amounts, upon thirty (30) days’ written notice from the Partnership Representative requesting the payment. At the reasonable discretion of the Manager, with respect to current Members, the Company may alternatively allow some or all of a Member’s obligation pursuant to the preceding sentence to be applied to and reduce the next distribution(s) otherwise payable to such Member provided that such application to and reduction of the distributions shall apply to all current Members having a share of the assessment, pro rata based on the Members’ shares of the assessment.

ERISA CONSIDERATIONS:

The Company does not intend to have 25% or more of the capital contributions made by Benefit Plan Investors. The Company intends to rely on the “less than 25%” benefit plan investors exception under the Plan Assets Regulation, and therefore, does not expect the Company’s assets to be treated as “plan assets” under the Plan Assets Regulation. However, if necessary to avoid the Company’s assets being treated as “plan assets” under the Plan Assets Regulation, the Manager will have the right to take whatever action it deems necessary (after consulting with counsel) to avoid its assets being treated as “plan assets” under the Plan Assets Regulation, including to: (i) seek to qualify under another exception under the Plan Assets Regulation, such as the “real estate operating company” or “venture capital operating company” exception, (ii) delay any closing if, because of the proportion of anticipated investors at the closing who are Benefit Plan Investors, the Company believes that delay is necessary for the Company to take action to avoid its assets being treated as “plan assets” under the Plan Assets Regulation, or (iii) require a Member to immediately withdraw from the Company.

FISCAL YEAR END AND FISCAL QUARTERS:

The Company’s fiscal year will end on December 31 of each year and each fiscal quarter will end on the last day of the calendar quarter. The Company’s books shall be kept on the accrual basis of accounting for tax purposes, on a GAAP basis for reporting purposes, and the cash basis for determining distributions.

INDEMNIFICATION:

The Manager, each Member, and any other person who serves at the request of the Manager on behalf of the Company as an officer, advisor, director, shareholder, member, employee or agent (in each case, an “Indemnitee”) will not be liable to the Company or to the Members for any act performed or omission made by it on behalf of the Company. The Company will indemnify each Indemnitee for any loss, cost, expense, damage, claim or demand, in connection with the Company, the Manager’s or Member’s status as a Manager or Member of the Company, the Manager’s or Member’s participation in the management, business and affairs of the Company or such Manager’s or Member’s activities on behalf of the Company.

GOVERNING LAW:

The internal laws of the State of Delaware (without regard to conflicts of laws) shall govern the Agreement.

ATTORNEY’S FEES: In any suit or proceeding to enforce the provisions of the Agreement or a Member’s Subscription Agreement, the party adjudged successful on the merits shall be entitled to recover attorneys’ fees and expenses.

EXCLUSIVE JURISDICTION: The federal and state courts and arbitration boards located in Chicago, Illinois.

ARBITRATION: Any dispute between the Manager and the Members or any conflict of interest between the Manager and the Company, or any interpretation of the Agreement shall be submitted to arbitration in the State of Illinois. **No Member may assert (whether as plaintiff, defendant or otherwise) any right to trial by jury in any forum in respect of any issue, claim or proceeding arising out of or related to the Agreement or the Company.** The prevailing party in any arbitration or litigation shall be reimbursed for its arbitration costs (including attorneys’ fees) by the non-prevailing party.

USE OF PROFESSIONALS AND SERVICE PROVIDERS: The Manager may, in its sole discretion, engage affiliated or outside professionals and service providers on behalf of and at the expense of the Company on arm’s-length terms. No professional or other service provider will be disqualified from providing services to the Company, the Manager, or their affiliates by reason of the provision of services by such professional or service provider to the Manager, or their affiliates, whether or not related to the Company’s business or other activities.

LEGAL COUNSEL TO THE MANAGER AND THE COMPANY: Morris, Manning & Martin, LLP will not represent the Members in connection with the Company.

POWER OF ATTORNEY: Each Member will irrevocably constitute and appoint the Manager or managers of the Manager, and each Liquidating Agent the true and lawful attorney-in-fact of such Member to execute, acknowledge, swear to and file the documents described in the Agreement, including certain amendments to the Agreement, certain filings, and admission and withdrawal documents. No action may be taken pursuant to the power of attorney that would have the effect of amending the Agreement except as permitted by the Agreement.

The foregoing power of attorney is coupled with an interest and will survive death, legal incapacity, bankruptcy, insolvency, assignment for the benefit of creditors and assignment by a Member of its Interests in the Company.

Joint Venture LLC Agreement

Investors will not hold membership interests directly in the Joint Venture. However, it is anticipated that substantially all of the proceeds from the sale of Interests will be invested in the Joint Venture, which will be governed by the provisions of the JV Agreement. A summary of the material terms of the JV Agreement is included below.

THE JOINT VENTURE: BV/Cedar 30 East Adams JV, LLC, a Delaware limited liability company. Following the admission of the Company as a member of the Joint Venture, the members of the Joint Venture will consist of the Company, Cedar Adams Holdings LLC, a Delaware limited liability company, and 30 East Adams Partners, LLC, an Illinois limited liability company (collectively, the “JV Members”).

The JV Manager, as defined below, may receive capital and admit additional JV Managers in its discretion, which may include affiliates of the Manager and JV Manager and/or other third-parties.

JOINT VENTURE MANAGER: 30 East Adams Partners, LLC, an Illinois limited liability company (“JV Manager”)

JOINT VENTURE DISTRIBUTION: *Pari Passu* amongst the Joint Venture Members.

FEES: Property Management Fee. A property management fee equal to 3% of the gross income from the Property will be paid by the Joint Venture (or its designated affiliate) to the Operator.

Disposition Fee. Concurrently with the closing of the sale of the Property, the Joint Venture shall pay to Manager or its affiliate a disposition fee equal to five percent (5%) of the difference between the gross sales price of the Property and the closing costs and expenses incurred in connection with such disposition.

TRANSFERS AND WITHDRAWALS: A JV Member may not sell, assign, transfer, pledge or hypothecate any portion of its interests in the Joint Venture except as provided in the JV Agreement.

GOVERNING LAW: Delaware

PLAN OF DISTRIBUTION

General

Subject to the terms and conditions set forth in this Memorandum, the Company is offering a maximum of up to \$24,000,000 in any combination of Interests to persons who qualify as “accredited investors,” as defined in the Securities Act.

The minimum initial investment for Interests is \$50,000; provided, however, that the Manager has the right in its sole discretion to accept subscriptions for less than \$50,000. The Company intends to continue the Offering until the earlier of (i) the date the Company raises the Maximum Offering Amount, (ii) the first anniversary of the date of this Memorandum, subject to an additional six-month extension in the Manager’s sole discretion, and (iii) the date the Offering is terminated by the Manager in its sole discretion.

Purchase Price

Interests will be offered at the applicable initial offering price set forth in the table above until the earlier of the termination date of the Offering or the time the Manager determines, in its discretion, to adjust the offering price per Interest. The Manager may, but is not obligated to, adjust the offering price per Interest from time to time based on such factors as the Manager deems relevant, including but not limited to (i) broad changes affecting capital markets or specific property sectors or geographic regions, (ii) trends in capitalization rates, discount rates, interest rates, and other micro-economic and macro-economic trends, and (iii) changes in the estimated value of the Property. Any adjustment to the offering price per Interest during the Offering will be disclosed in a supplement to this Memorandum. Distributions to Members are based on each Member’s Capital Contributions Account, which account is not impacted by the offering price per share paid with respect to Interests.

Qualifications of Purchasers

An investment in the Company’s Interests involves a high degree of risk and is suitable only for prospective investors that have no need for liquidity in this investment. Accordingly, the Company is limiting this Offering to “accredited investors,” as that term is defined under the Securities Act and Regulation D promulgated thereunder. A subscription will not be accepted if its acceptance would result in noncompliance with Regulation D. Investments also will be subject to applicable state securities laws.

Each prospective investor must complete a Subscription Agreement which contains, among other things, representations to the Company that the prospective investor meets certain investor suitability requirements. A copy of the Company’s Subscription Agreement is included in the Subscription Documents, attached to this Memorandum as Appendix B. Each prospective investor also may be required to provide current financial and other information to the Company to enable the Company to determine whether such subscriber is qualified to purchase the Company’s Interests.

Sale of Interests

A prospective investor desiring to acquire Interests and become a Member must deliver to the Company a Subscription Agreement for the dollar amount of the desired investment, together with the correct full subscription payment of the subscribed Interests. The Company will accept or reject each subscription, in whole or in part, in the Manager’s sole discretion. The Company reserves the right, in its sole discretion, to refuse to sell Interests to any person, and may terminate this Offering and stop accepting subscriptions at any time and for any reason. There can be no assurance that all of the Interests offered hereby will be sold.

During the term of the Offering, the Manager intends to hold one or more closings where the Manager will cause the Company to accept subscriptions for Interests from one or more prospective investors. At each closing, the Manager will cause the Company to admit prospective investors as Members in its discretion, provided that the applicable subscription payment has been received along with the completed and executed subscription documents.

Closings shall be held on a day determined by the Manager. The Company expects that closings generally will occur twice a month (or more frequently).

Subscription proceeds that are submitted to the Company by a prospective investor prior to any closing shall be deposited into a non-interest bearing segregated Company bank account. Upon the closing, such prospective investor's funds shall either be (A) released from such segregated Company bank account into the Company's general working capital bank account if such prospective investor's subscription is accepted by the Manager, or (B) returned to such prospective investor if such investor's subscription is not accepted by the Manager.

Marketing of Interests

The Company has engaged Arkadios to serve as the Managing Broker-Dealer for this Offering. Arkadios is expected to engage additional participating broker-dealers or financial advisors to solicit subscriptions for Interests and may solicit subscriptions for Interests directly. The Offering is a "best efforts" offering, which means that participating broker-dealers or financial advisors are not obligated to purchase any specific number or dollar amount of Interests in the Offering. The Company also may make certain sales directly to persons who have a pre-existing substantive relationship with the Manager (or its affiliates). For such direct sales, Arkadios will serve as the broker-dealer of record.

Interests

Interests are available for purchase in this Offering through (1) brokerage and transaction-based accounts, or (2) registered investment advisors that also are registered broker-dealers. Investors purchasing Interests will be specially allocated the Placement Costs attributable to such Interests (i.e., the Company's payment of selling commissions and fees). Arkadios may reallocate all or a portion of the selling commissions, managing broker-dealer fees, and oversight fees applicable to sales of Interests to participating broker-dealers or financial advisors that are compensated on a commission basis for the sale. The selling commissions, managing dealer fees and/or oversight fees may be reduced or waived for any particular sales upon agreement of Arkadios and the participating broker-dealer, if one is involved in the sale.

The applicable selling commissions, managing dealer fees or oversight fees may be reduced or waived in connection with certain purchasers if approved by Arkadios and the Manager. The net proceeds to the Company (after its payment of the fees) will not be affected by any reduced or waived selling commissions, managing dealer fees or oversight fees. An investor that qualifies for reduced or waived selling commissions, managing dealer fees or oversight fees (i.e., the effective purchase price per Interest paid by such investor will be proportionally reduced) will receive a higher percentage return on his or her investment than investors who do not qualify for reduced or waived selling commissions, managing dealer fees or oversight fees.

Sales Materials

In addition to this Memorandum, the Company may make use of brochures, pamphlets and other sales literature describing certain aspects of the Company's business and this Offering. The Manager and its affiliates may also respond to specific questions from participating broker-dealers or financial advisors and prospective investors. Information relating to this Offering may be made available to participating broker-dealers or financial advisors for their internal use. However, this Offering is made only by means of this Memorandum and the appendices provided herewith. The information in any supplemental sales material does not purport to be complete and should not be considered a part of this Memorandum, or as incorporated in this Memorandum by reference.

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 or in any sales literature issued by the Company and referred to in this Memorandum, and, if given or made, such information or representations must not be relied upon.

Additional Disclosures Regarding Certain Participating Broker-Dealers Or Financial Advisors

The Company will offer Interests to prospective investors through Arkadios and one or more participating broker-dealers or financial advisors. Additional disclosure regarding certain participating broker-dealers or financial advisors will be provided in a supplement to this Memorandum, if such disclosure is required.

Additional Disclosures Regarding Certain Selling Group Members

The Company and Arkadios may engage soliciting dealers authorized to offer Interests.

Subscription Process

For information regarding the subscription process, see “HOW TO SUBSCRIBE” below.

HOW TO SUBSCRIBE

In order to subscribe, accredited investors must complete, execute and return to the Company the Subscription Documents listed below, copies of which are attached hereto as Appendix B, and follow the applicable subscription instructions:

- 1) Payment Instructions. One copy of the Payment Instructions.
- 2) Investor Questionnaire. One copy of the Investor Questionnaire.
- 3) Subscription Agreement. One copy of the Subscription Agreement, which contains certain representations, covenants, warranties, promises and undertakings, all of which should be carefully considered by the subscriber before execution.
- 4) Registered Representative/RIA & Broker/Dealer or RIA. One copy of the Registered Representative/RIA & Broker/Dealer or RIA form to be completed by an accredited investor's registered representative/RIA and/or broker/dealer.
- 5) Distribution Instructions. One copy of the Distribution Instructions.
- 6) Form W-9 (Taxpayer Identification Number). One copy of a Form W-9.

Investors are encouraged to make the subscription payment by wire transfer to Associated Bank, N.A., however, investors may also fund their subscription by check, in each case **pursuant to the payment instructions included in the Subscription Documents**. Payments by check in lieu of wire transfer are subject to clearance and approval by the Manager in its sole and absolute discretion.

All documents listed above should be filled out electronically via DocuSign or a Secure Investor Portal, and sent to Arkadios via secure email to mbd@arkadios.com.

If unable to deliver electronically, investors may mail the completed and executed version of the Subscription Documents to:

Cedar Adams Shareholder LLC
c/o 30 East Adams Manager LLC
151 W. Huron St.
Chicago, Illinois 60654
Attention: Investor Relations
Email: subscriptions@cedarst.com

The Subscription Documents will be binding upon and enforceable against the Company only when countersigned by an authorized agent of the Company. The Company reserves the right, in its sole discretion, to reject any subscription in whole or in part, in which case the Manager will promptly return the prospective investor's funds.

REPORTS TO MEMBERS

Within 60 days after the end of each of the first three quarters of each year, the Manager will use commercially reasonable efforts to cause to be prepared and delivered to each Member certain reports, as described in the Agreement.

LITIGATION

CEDARst is not currently involved in any litigation proceedings that are expected to have a material adverse effect on CEDARst, its principals, the Manager, or the Company.

PROFESSIONALS AND SERVICE PROVIDERS

The Manager or the Sponsor may, in each of their sole discretion, engage professionals and service providers on behalf of the Manager, the Sponsor, their affiliates, and the Company, in each case at the expense of the Company. No professional or other service provider will be disqualified from providing services to the Company, the Manager, the Sponsor or their affiliates by reason of the provision of services by such professional or service provider to the Manager, the Sponsor or their affiliates, whether or not related to the Company's business or other activities.

LEGAL COUNSEL

The Company, the Manager, the Sponsor and their affiliates have been (and in the future may be) represented by Morris, Manning & Martin, LLP in connection with the formation of the Company and all related activities. No Member other than an Affiliated Member has been (or will be) represented by Morris, Manning & Martin, LLP in connection with any aspect of the Offering and formation of the Company.

ELECTRONIC DELIVERY OF DOCUMENTS

The Company intends to electronically provide this Memorandum, Memorandum supplements, reports, distribution notices and other information, or documents, unless you opt-out of electronic delivery by sending us instructions in writing that you would like to receive such documents in paper format. **Unless you elect otherwise and notify us as provided in this Memorandum, all documents will be provided in electronic form by email.**

You must have internet access to use electronic delivery. While we impose no additional charge for this service, there may be potential costs associated with electronic delivery, such as on-line charges. Documents will be available on our Internet web site: <https://app.junipersquare.com/login>. You may access and print all documents provided through this service. As documents become available, we will notify you of this by sending you an e-mail message that will include instructions on how to retrieve the document. If our e-mail notification is returned to us as "undeliverable," we will contact you to obtain your updated e-mail address. If we are unable to obtain a valid e-mail address for you, we will send a paper copy by regular U.S. mail to your address of record. You may opt-out of electronic delivery at any time and, following receipt of your notification, we will begin sending you a paper copy of all required documents. However, in order for us to ensure timely delivery of documents to you, your notification must be given to us a reasonable time before electronic delivery has commenced. We will provide you with duplicate paper copies at any time upon request. Such request will not constitute notification of your decision to opt-out of electronic delivery.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

For additional information regarding the Company, please contact the Manager at:

Cedar Adams Shareholder LLC
c/o 30 East Adams Manager LLC
151 W. Hurson St.
Chicago, Illinois 60654
Attention: Investor Relations
Email: subscriptions@cedarst.com

APPENDIX A

Company Agreement

[See attached.]

THE MEMBERSHIP INTERESTS REPRESENTED BY THIS OPERATING AGREEMENT HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES LAWS AND, AS SUCH, THEY MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED, OR HYPOTHECATED UNLESS THE MEMBERSHIP INTERESTS HAVE BEEN QUALIFIED AND REGISTERED UNDER APPLICABLE STATE AND FEDERAL SECURITIES LAWS OR UNLESS SUCH QUALIFICATION AND REGISTRATION IS NOT LEGALLY REQUIRED. TRANSFER OF THE MEMBERSHIP INTERESTS REPRESENTED BY THIS OPERATING AGREEMENT IS FURTHER SUBJECT TO THE RESTRICTIONS, TERMS AND CONDITIONS SET FORTH HEREIN.

**LIMITED LIABILITY COMPANY AGREEMENT
OF
CEDAR ADAMS SHAREHOLDER LLC**

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS	1
1.1 Definitions.....	1
ARTICLE II FORMATION OF COMPANY	9
2.1 Formation.....	9
2.2 Name	9
2.3 Registered Office and Registered Agent.....	9
2.4 Term	9
2.5 Operating Agreement.....	9
ARTICLE III BUSINESS OF COMPANY	9
3.1 Purpose.....	9
3.2 Revenue and Expenses.....	10
ARTICLE IV NAMES AND ADDRESS OF MEMBERS.....	10
4.1 Names and Address of Members	10
ARTICLE V AMENDMENTS TO CERTIFICATE OR OPERATING AGREEMENT ...	10
5.1 Amendments to the Certificate.....	10
5.2 Amendment to the Operating Agreement	11
5.3 Procedures for Amendments to the Certificate and the Operating Agreement.....	11
ARTICLE VI RIGHTS AND DUTIES OF MEMBERS	12
6.1 Voting Rights	12
6.2 Voting Matters.....	12
6.3 Meetings.....	12
6.4 Informal Action by Members.....	12
6.5 Notice of Meeting.....	13
6.6 No Liability of Members.....	13
6.7 No Exclusive Duty to Company.....	13
6.8 Compensation of Members	13
6.9 Member Entities	14
6.10 Telephonic Meetings	14
6.11 Loans from Members	14
ARTICLE VII MANAGER	14
7.1 Management.....	14
7.2 Authority of the Manager.....	15
7.3 No Authority of Members to Bind the Company.....	15

TABLE OF CONTENTS

Page

7.4	Removal of a Manager	15
7.5	Resignation.....	15
7.6	Bank Accounts	16
7.7	Chairman and Officers	16
7.8	Compensation of the Manager; Personal Services; Compensation.....	16
7.9	Other Business Interests.....	17
7.10	Conflicts of Interest.....	18
7.11	Standard of Care.....	18
7.12	Side Letters.....	19
ARTICLE VIII CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS		
.....		19
8.1	Members' Capital Contributions.....	19
8.2	Required Funds	19
8.3	Non-Contributing Members; Issuances of Additional Interests.....	20
8.4	Capital Accounts	21
8.5	Withdrawal or Reduction of Members Contributions to Capital	21
ARTICLE IX ALLOCATIONS, INCOME TAX, DISTRIBUTIONS, ELECTIONS AND REPORTS.....		21
9.1	Allocation of Profits and Losses and Selling Commissions	21
9.2	Regulatory Allocations.....	21
9.3	Distributions.....	23
9.4	Limitation Upon Distributions	25
9.5	Interest On and Return of Capital Contributions	25
9.6	Accounting Period.....	25
9.7	Records and Audits	25
9.8	Reports to Members	25
9.9	Accounting, Financial and Tax Reporting	26
9.10	Tax Matters Partner.....	26
9.11	Construction	28
ARTICLE X TRANSFERABILITY		28
10.1	General	28
10.2	Dispositions not in Compliance with this Article Void	28
10.3	Permitted Transfers	29

TABLE OF CONTENTS

Page

10.4	Reasonableness of Transfer Conditions	29
10.5	Distributions and Allocations in Respect to Transferred Membership Interests	29
10.6	No Withdrawal or Payment of Interest	29
ARTICLE XI ADDITIONAL MEMBERS		29
11.1	General	29
11.2	Rights of Transferees	30
11.3	Admission of Substitute Members	30
11.4	Bound by this Agreement.....	30
ARTICLE XII INDEMNIFICATION		31
12.1	Good Faith Acts and Indemnification	31
12.2	Expenses.....	32
12.3	Other Rights	32
12.4	Insurance	33
12.5	Report.....	33
12.6	Broader Indemnification	33
12.7	Discharge of Duties.....	33
ARTICLE XIII DISSOLUTION AND TERMINATION.....		33
13.1	Dissolution	33
13.2	Winding Up, Liquidation and Distribution of Assets	34
13.3	Certificate of Dissolution	34
13.4	Effect of Filing Certificate of Dissolution.....	35
13.5	Return of Contribution Nonrecourse to Other Members	35
ARTICLE XIV MEMBER REPRESENTATIONS AND ACKNOWLEDGEMENTS		35
14.1	Representations and Warranties	35
14.2	Individual Arrangements on Certain Terms.....	36
ARTICLE XV MISCELLANEOUS PROVISIONS		37
15.1	Notices.....	37
15.2	Governing Law.....	37
15.3	Waiver of Action for Partition	37
15.4	Execution of Additional Instruments	37
15.5	Construction	37
15.6	Headings.....	37
15.7	Waivers.....	37

TABLE OF CONTENTS

	<u>Page</u>
15.8 Rights and Remedies Cumulative	37
15.9 Severability.....	38
15.10 Heirs, Successors and Assigns	38
15.11 Counterparts; Electronic Signatures.....	38
15.12 Power of Attorney	38
15.13 Entire Agreement	38
15.14 Incorporation of Exhibits, Annexes, and Schedules	39
15.15 Specific Performance	39
15.16 No Third Party Beneficiary	39
15.17 Corporate Transparency Act	39
15.19 Arbitration	41
15.20 Time	41
15.21 Counsel to the Company	41

EXHIBITS

- Exhibit A Membership Interests

- Exhibit B Assignment of Membership Interest

LIMITED LIABILITY COMPANY AGREEMENT OF CEDAR ADAMS SHAREHOLDER LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT (the "**Operating Agreement**") dated as of _____, 2023, of Cedar Adams Shareholder LLC, a Delaware limited liability company (the "**Company**"), made and entered by and among, 30 East Adams Manager LLC, an Illinois limited liability company, as Manager (as defined below), and the persons listed on **Exhibit A** and such other persons as shall be admitted from time to time, and which otherwise comply with the terms set forth herein, each of those persons and/or entities executing a Counterpart Signature Page hereto, or are deemed to be signatories hereof pursuant to the terms of the Subscription Agreements (as defined below) of each such Member (collectively, the "**Members**").

RECITALS

A. The Company was formed on September 27, 2023 upon the filing of the Certificate (defined below) under the Act to fulfill the purposes and carry on the activities set forth herein.

B. The Members desire to join together in the enterprise to be carried on by the Company and to abide by the rules set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree that the operating agreement governing the operations of the Company shall hereby be as follows:

ARTICLE I DEFINITIONS

1.1 **Definitions.** The following terms used in this Operating Agreement and not otherwise defined shall have the following meanings:

- (a) "**1933 Act**" shall have the meaning set forth in Section 14.1(f).
- (b) "**Act**" shall mean the Delaware Limited Liability Company Act, as amended and in effect from time to time.
- (c) "**Additional Capital Contribution**" shall have the meaning set forth in Section 8.1(b).
- (d) "**Additional Interests**" shall have the meaning set forth in Section 8.3.
- (e) "**Affiliate**" shall mean, with respect to any Person (the "**Specified Person**"), any Person other than that Specified Person directly or indirectly controlling, controlled by or under direct or indirect common control with, the Specified Person. For purposes of this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of voting securities, partnership interests, by contract or otherwise.

(f) "**Asset Management Fee**" shall have the meaning set forth in Section 7.8(c).

(g) "**Assignee**" shall mean any person that acquires a Membership Interest but is not admitted as a Member.

(h) "**BBA**" shall have the meaning set forth in Section 9.9.

(i) "**Capital Account**" as of any given date shall mean the accounts established and maintained by the Company for each Member in accordance with Regulation Section 1.704-1(b)(2)(iv).

(j) "**Capital Call Notice**" shall have the meaning set forth in Section 8.2(b).

(k) "**Capital Contribution**" shall mean any contribution to the capital of the Company in cash or property by a Member whenever made, as set forth on such Member's Counterpart Signature Page and on Exhibit A, as amended from time to time, and shall include both the Initial Capital Contributions and any additional capital contributions.

(l) "**Capital Transaction**" shall mean any refinancing or sale, disposition or other Transfer of the assets of the Company outside the ordinary course of the Company's business.

(m) "**Cash Out**" shall have the meaning set forth in Section 9.3(c).

(n) "**Cedar Manager**" shall mean 30 East Adams Manager LLC, an Illinois limited liability company.

(o) "**Certificate**" shall mean the Certificate of Formation of Cedar Adams Shareholder LLC, as filed with the Secretary of State of Delaware, as amended from time to time.

(p) "**Code**" shall mean the Internal Revenue Code of 1986, as amended or corresponding provisions of subsequent superseding federal revenue laws.

(q) "**Company**" shall have the meaning set forth in the preamble of this Operating Agreement.

(r) "**Company Counsel**" shall have the meaning set forth in Section 15.20.

(s) "**Company Expenses**" means all legal, third-party registered investment advisory, organizational, transactional and other associated fees, expenses, liabilities and obligations incurred in connection with the organization, funding, and start-up of the Company and Manager, including the preparation of, and negotiations with respect to, this Operating Agreement and any individual arrangements under Section 14.2 or similar agreements, including all fees, costs, expenses, liabilities and obligations relating or attributable to:

(i) the formation of any entity to effect the acquisition and/or holding of direct or indirect interests in the Property or the Property Owner;

(ii) activities with respect to the structuring, organizing, identifying, negotiating, consummating, financing, refinancing, performing of due diligence, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, direct or indirect interests in the Property or the Property Owner;

(iii) accounting, research auditing, administration, information, appraisal, valuation, consulting and retainer fees, tax, and other professional services;

(iv) the preparation, distribution or filing of Company-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports; and

(v) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Company or Manager.

(t) "**Compliance Officer**" shall have the meaning set forth in Section 15.17(a).

(u) "**Contribution Date**" shall have the meaning set forth in Section 8.2(b).

(v) "**Counterpart Signature Page**" shall mean a separate signature page to this Operating Agreement executed by a Member and accepted by the Company that sets forth such Member's Initial Capital Contribution and number of Membership Interests to be held by such Member in the form satisfactory to the Manager.

(w) "**CTA**" shall have the meaning set forth in Section 15.17.

(x) "**CTA Data**" shall have the meaning set forth in Section 15.17(c).

(y) "**CTA Regulations**" shall have the meaning set forth in Section 15.17.

(z) "**Deficit Capital Account**" shall mean with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of end of the taxable year, after giving effect to the following adjustments:

(i) credit to such Capital Account any amount which such Member is obligated to restore under Section 1.704-1(b)(2)(ii)(c) of the Treasury Regulations, as well as any addition thereto pursuant to the next to last sentence of Sections 1.704-2 (g)(1) and (i)(5) of the Treasury Regulations, after taking into account thereunder any changes during such year in partnership minimum gain (as determined in accordance with Section 1.704-2(d) of the Treasury Regulations) and in the minimum gain attributable to any partner for nonrecourse debt (as determined under Section 1.704-2(i)(3) of the Treasury Regulations); and

(ii) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Treasury Regulations.

This definition of Deficit Capital Account is intended to comply with the provisions of Treasury Regulation Sections 1.704-1(b)(2)(ii)(d) and 1.704-2, and will be interpreted consistently with those provisions.

(aa) "**Disposition Fee**" shall have the meaning set forth in Section 7.8(c).

(bb) "**Distributable Cash**" shall mean all cash received by the Company, less the sum of the following to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and all other sums paid to lenders by the Company; (ii) all cash expenditures incurred in the operation of the Company's business; and (iii) such Reserves as the Manager deems reasonably necessary for the proper operation of the Company's business.

(cc) "**Entity**" shall mean any general partnership, limited partnership, limited liability company, limited liability partnership, land trust, corporation, joint venture, trust, business trust, cooperative, association, foreign trust or foreign business organization.

(dd) "**Entity Members**" shall have the meaning set forth in Section 9.3(b)(ii).

(ee) "**Entity Tax**" shall have the meaning set forth in Section 9.11.

(ff) "**Exchange Notice**" shall have the meaning set forth in Section 9.3(c).

(gg) "**FinCEN**" shall have the meaning set forth in Section 15.17.

(hh) "**FinCEN ID**" shall have the meaning set forth in Section 15.17(g).

(ii) "**FINRA**" shall have the meaning set forth in Section 7.8(c)(iii).

(jj) "**Fiscal Year**" shall mean the Company's fiscal year, which shall be the calendar year.

(kk) "**Gross Asset Value**" means, with respect to any asset, the asset's adjusted basis for federal income tax purpose, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Company;

(ii) The Gross Asset Value of all the Company's assets shall be adjusted to equal their respective gross fair market values, as determined by the Manager, as of the following times: (a) the acquisition of an additional Membership Interest in the Company (other than pursuant to Section 8.1 hereof) by any new or existing Member in exchange for more than a *de minimis* Capital Contribution; (b) the distribution by the Company to a Member of more than a *de minimis* amount of property as consideration for an interest in

the Company; and (c) the liquidation of the company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that the adjustments pursuant to clauses (a) and (b) above shall be made only if the Manager reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Holders in the Company;

(iii) The Gross Asset Value of any asset distributed to any Holder shall be the gross fair market value of such asset on the date of distribution; and

(iv) The Gross Asset Value of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this paragraph (iv) to the extent the Manager determines that an adjustment pursuant to paragraph (ii) of this definition is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this paragraph (iv).

(ll) "**Holders**" shall mean any Member, Assignee or other transferee of a Member that is not admitted as a substitute Member who is entitled to receive distributions and allocations of income or loss.

(mm) "**Indirect Owner**" shall have the meaning set forth in Section 15.17(d).

(nn) "**Initial Capital Contribution**" shall mean, with respect to a Member, the amount of capital such Member has contributed or agreed to contribute to the Company pursuant to the Member's Subscription Agreement and as set forth on such Member's Counterpart Signature Page.

(oo) "**Internal Rate of Return**" or "**IRR**" means the internal rate of return that, when applied to the aggregate Capital Contributions (other than Priority Capital) made by a Member to the Company as of a certain date and all distributions made to such Member as of such date, produces a net present value of zero. In calculating the Internal Rate of Return, (i) all Capital Contributions (other than Priority Capital) made by a Member shall be measured based on the actual amount and date such Capital Contributions (other than Priority Capital) were contributed to the Company, (ii) all distributions to a Member shall be measured based on the actual amount and date such distributions were made by the Company, (iii) the amount of all distributions shall be based on the amounts of such distribution prior to the application of any Federal, state or local taxation to Members (including any withholding or deduction requirements) and (iv) the Internal Rate of Return shall be based on a 365-day year, with monthly compounding. The Internal Rate of Return shall be calculated using the latest version of the Microsoft Excel[®] electronic spreadsheet XIRR Financial Function.

(pp) "**Joint Venture**" shall mean BV/Cedar 30 East Adams JV, LLC, a Delaware limited liability company.

(qq) "**Like-Kind Exchange**" shall have the meaning set forth in Section 9.3(c).

(rr) "**Majority in Interest**" shall mean, as of the date of determination, with respect to the Company, members of the Company who are entitled to vote and who hold more than fifty percent (50%) of the Percentage Interests held by Members of the Company who are entitled to vote.

(ss) "**Manager**" shall mean the Person (or Persons) designated under Article VII and the substitutes, if any, as determined hereunder.

(tt) "**Manager Loan**" shall have the meaning set forth in Section 8.2(a).

(uu) "**Member**" shall have the meaning set forth in the preamble to this Operating Agreement.

(vv) "**Membership Interests**" (or "**Interest**") shall mean the ownership interest of each Holder in the Company set forth on Exhibit A, including the right to any and all benefits to which a Holder of such interest may be entitled in accordance with this Operating Agreement or the Act and the obligations as provided in this Operating Agreement and the Act, and as amended from time to time and as adjusted pursuant to Section 8.1(b).

(ww) "**Non-Contributing Member**" shall have the meaning set forth in Section 8.3.

(xx) "**Operating Agreement**" shall have the meaning set forth in the preamble to this Operating Agreement.

(yy) "**Percentage Interest**" shall mean the percentage ownership of each Holder in the Company (determined by the ratio of each Holder's Membership Interests divided by the total number Membership Interests outstanding on the relevant date) as initially set forth on Member's Counterpart Signature Page and opposite each Member's name in the designated column of Exhibit A, and as amended from time to time and as adjusted pursuant to Section 8.1(b).

(zz) "**Persons**" shall mean any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such "**Person**" where the context so permits.

(aaa) "**Priority Capital**" shall have the meaning set forth in Section 8.2(c).

(bbb) "**Priority Capital Preferred Return**" shall have the meaning set forth in Section 8.2(c).

(ccc) "**Project**" means the acquisition of the Property and the ownership, development, construction, financing, management, operation, maintenance and sale or refinancing of the Property. The Project shall include all Property owned by the Property Owner, at any particular time and from time to time.

(ddd) "**Property**" shall have the meaning set forth in Section 3.1.

(eee) "**Property Owner**" means a Person holding title to all or a portion of the Property and a portion of whose equity is directly or indirectly owned by the Company.

(fff) "**Regulations**" shall mean the federal income tax regulations, including temporary regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

(ggg) "**Removal Date**" shall have the meaning set forth in Section 7.4.

(hhh) "**Removal Event**" shall mean, with respect to any Manager: (i) the commission by such Manager of an act of fraud or dishonesty that results in material gain or personal enrichment of such Manager, or an Affiliate of such Manager, at the Company's expense, (ii) conviction of such Manager of a felony-class crime (other than, to the extent such Manager is an individual, relating to the operation of a motor vehicle), or (iii) a Manager willfully engaging in gross misconduct materially injurious to the Company that, if curable, has not been cured by the Manager within 30 days of written notice specifying the alleged willful gross misconduct and material injury; provided, that for purposes of determining whether a Removal Event has occurred, no Person shall be considered an Affiliate of a Manager solely by virtue of its membership in the Company.

(iii) "**Reporting Person**" shall have the meaning set forth in Section 15.17(c).

(jjj) "**Reserves**" shall mean funds set aside or amounts allocated to reserves which shall be maintained in amounts deemed sufficient by the Manager for working capital and to pay taxes, insurance, debt service or other costs or expenses incident to the ownership or operation of the Company's business.

(kkk) "**Review Year**" shall have the meaning set forth in Section 9.11.

(lll) "**Required Funds**" shall have the meaning set forth in Section 8.2.

(mmm) "**Resignation Date**" shall have the meaning set forth in Section 7.5.

(nnn) "**SEC**" shall have the meaning set forth in Section 14.1.

(ooo) "**Selling Commissions**" shall have the meaning set forth in Section 7.8(c)(iii).

(ppp) "**Selling Group Member**" shall have the meaning set forth in Section 7.8(c)(iii).

(qqq) "**Side Letters**" shall have the meaning set forth in Section 7.12.

(rrr) "**Subscription Agreement**" shall mean that agreement evidencing the agreement of each member to make the Initial Capital Contributions for the acquisition of Membership Interest.

(sss) "**Substantial Control Data**" shall have the meaning set forth in Section 15.17(e).

(ttt) "**Tax Proceeding**" shall have the meaning set forth in Section 9.10.

(uuu) "**Tax Representative**" shall have the meaning set forth in Section 9.10.

(vvv) "**Transfer**" shall mean, as a noun, any voluntary or involuntary transfer, sale, assignment, pledge, hypothecation, or other disposition, and as a verb, shall mean to voluntarily or involuntary transfer, sell, assign, pledge, hypothecate, or otherwise dispose of.

(www) "**Treasury Regulations**" shall include proposed, temporary and final regulations promulgated under the Code.

(xxx) "**Total Sales**" shall have the meaning set forth in Section 7.8.

(yyy) "**Unilateral Amendment**" shall have the meaning set forth in Section 5.2(a).

(zzz) "**Unrecovered Priority Capital**" with respect to any Member means the Member's total contributions of Priority Capital, reduced by any cash and the net fair market value (determined in the reasonable discretion of the Manager) of any property distributed to such Member pursuant to Section 9.3(a)(ii).

(aaaa) "**Willful Misconduct**" shall mean that a court of competent jurisdiction has finally determined that, or the relevant person has acknowledged that, any of the following acts or omissions have occurred:

(i) any act or omission that constitutes fraud or gross negligence, intentional misconduct or a knowing violation of law which results in material loss or injury to the property or operations of the Company.

(ii) theft or embezzlement of money or property of the Company;

(iii) conviction of a crime, the commission of which shall have resulted in loss or injury to the Property or operations of the Company;

(iv) a knowing violation of any material terms of this Operating Agreement which results in material loss or injury to the property or operations of the Company;

(v) a material violation of the Treasury Regulations, the Code or deferral or state securities law with regard to a material matter involving the Company; or

(vi) a breach of fiduciary duty to the Company or the Members with regard to a material matter involving the company

ARTICLE II FORMATION OF COMPANY

2.1 **Formation.** The Company was formed as a Delaware limited liability company by executing and delivering the Certificate to the Delaware Secretary of State in accordance with and pursuant to the Act.

2.2 **Name.** The name of the Company is Cedar Adams Shareholder LLC.

2.3 **Registered Office and Registered Agent.** The Company's initial registered office shall be located at 3411 Silverside Road, Tatnall Building # 104, Wilmington, Delaware 19810, and its registered agent shall be Corporate Creations Network Inc. The Manager may, within its sole discretion, change the registered office or registered agent of the Company. Other company offices may be located in such places as deemed necessary or desirable by the Manager.

2.4 **Term.** The term of the Company is perpetual from the date of filing of the Certificate with the Secretary of State in Delaware, unless the Company is earlier dissolved in accordance with either the provisions of this Operating Agreement or the Act.

2.5 **Operating Agreement.** For and in consideration of the mutual covenants contained herein, the Company, the Members and the Holders (including those who become bound by the terms hereof to Section 11.4) hereby agree to the terms and conditions of this Operating Agreement, as it may from time to time be amended according to its terms. It is the express intention of the Company and the Members that this Operating Agreement shall be the sole source of agreement of the Members (including those that succeed to the Membership Interests of the Members) and, except to the extent a provision of this Operating Agreement expressly incorporates federal income tax rules by reference to sections of the Code or Treasury Regulations or any other law or rule, to the extent any provision of this Operating Agreement is prohibited or ineffective under the Act, this Operating Agreement shall be considered amended to the smallest degree possible in order to make this Operating Agreement effective under the Act.

ARTICLE III BUSINESS OF COMPANY

3.1 **Purpose.** The purpose of the Company shall be to own, hold, develop, improve, operate, finance and ultimately dispose of (through a sale, like-kind exchange or otherwise in Manager's discretion) direct or indirect interests in property located at 30 East Adams Street, Chicago, Illinois (collectively, the "**Property**") and to enter into any lawful transaction and engage in any lawful activities in furtherance of the foregoing purposes and as may be necessary, incidental or convenient to carry out the business of the Company as contemplated by this Operating Agreement and permitted under the Act. References to the Property shall also include any property owned by the Company's wholly-owned subsidiaries, if any.

3.2 **Revenue and Expenses.** The Company shall hold title to all assets it owns and shall receive or otherwise be entitled to all revenue from its operations and activities. If any amounts that should have been paid to the company are received by the Manager or any member, it shall hold such amounts as agent for and on behalf of the Company and shall remit such amounts to the Company as promptly as is reasonably practicable. If any asset which properly belongs to the Company is received or held by the Manager or any Member, it shall do so as agent for and on behalf of the Company. The Company shall be responsible for paying all expenses and costs with its operations and activities, including the Company Expenses and to the extent the Manager or any other Member pays any such amount on behalf of or as agent for the Company, such Person shall be promptly reimbursed for such amounts.

ARTICLE IV NAMES AND ADDRESS OF MEMBERS

4.1 **Names and Address of Members.** The names and address of the Members shall be set forth on the Counterpart Signature Page and hereto, as amended from time to time.

ARTICLE V AMENDMENTS TO CERTIFICATE OR OPERATING AGREEMENT

5.1 **Amendments to the Certificate.**

(a) Except as limited by the Certificate or the Operating Agreement, the Company may amend its Certificate at any time to add a new provision or to change or remove an existing provision, provided that the Certificate, as amended, contain only provisions that are required or permitted in the original Certificate at the time of amendment.

(b) Pursuant to the Act, but subject to the provisions of the Certificate, the Manager may adopt one or more amendments to the Certificate without the consent or approval of the Members, including, but not limited to, any of the following:

(i) To remove the name and address of the initial and any subsequent registered agent or the address of the initial or any subsequent registered office, if a statement of change is on file with the Secretary of State;

(ii) To change the Company name by substituting the words "**limited liability company**" for the abbreviation "**LLC**" or vice versa, or by adding a geographical attribution to the name;

(iii) To restate the Certificate or the Operating Agreement to incorporate amendments to the date thereof; or

(iv) To implement any amendment to the Certificate or the Operating Agreement that is required by any lender to the Company or is otherwise approved hereunder.

5.2 Amendment to the Operating Agreement.

(a) Except as required by law or as otherwise provided in this Operating Agreement, the provisions of this Operating Agreement may be amended or waived at any time and from time to time with the consent of the Manager and a Majority in Interest of the Members. No amendment shall become effective without the unanimous consent of the Members adversely affected if such amendment would materially adversely amend the provisions of this Operating Agreement relating to the amount of Distributions a Member would receive when compared with the intended Distributions to such Member under the priorities set forth in Section 9.3 (determined without regard to the Capital Account balances of the Members). Notwithstanding anything contained in this Operating Agreement to the contrary, the Manager shall have the unilateral authority to amend this Operating Agreement, upon delivery of a notice to the Members, to: (i) add to the Manager's duties or surrender any right or power granted to it; (ii) correct errors, cure ambiguities, respond to changes in the law and make changes for the benefit of the Members; (iii) delete or add any provision requested by any federal or state "blue sky" agency to the extent deemed to be for the benefit or protection of some or all of the Members; (iv) effectuate the admission or withdrawal of Members in accordance with the terms of this Operating Agreement; (v) make amendments to this Operating Agreement without the consent of a Member in order to reflect changes made to the Operating Agreement in response to the comments of Members admitted at subsequent closings if such amendments do not adversely affect such previously admitted Member; and (vi) improve the Company's position in (A) satisfying any Investment Company Act exemptions, (B) qualifying for any applicable ERISA plan asset exemptions, (C) sustaining any tax positions of the Company or those of any of its Members upon the advice of its tax advisors (including with respect to UBTI), (D) avoiding publicly traded status for the Company, (E) or preventing the Members' final Capital Accounts from deviating from the intended priority cash Distributions described in this Operating Agreement by amending the allocation provisions of Article IX (collectively, the "**Unilateral Amendments**"). The Manager shall send copies of any such Unilateral Amendments to all Members.

(b) The Manager will provide notice to the Members when any action under this Section 5.2 is taken.

5.3 Procedures for Amendments to the Certificate and the Operating Agreement.

Subject to the provisions of the Certificate, the Manager and Members, if the Members have the right to vote on the Amendment as set forth herein, may adopt any amendment to the Certificate or the Operating Agreement as authorized in Article V hereof or in the Act in the following manner:

(a) The Manager shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote of a meeting of Members, or in lieu of a meeting of the Members, by written consent of the Members in accordance with the appropriate provisions of Article VI. The resolution shall set forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each Member.

(b) At the meeting, a vote of the Members shall be taken. The proposed amendment shall be adopted upon receiving the consent of the Manager and of the Members with the level of consent otherwise mandated hereunder.

(c) Any number of amendments may be submitted to the Members and voted upon by them at one meeting.

ARTICLE VI RIGHTS AND DUTIES OF MEMBERS

6.1 **Voting Rights.** Subject to the restrictions and limitations set forth in Article VI, each Member shall be entitled to vote on any matter required by this Operating Agreement or a non-waivable provision of the Act to be submitted to a vote of the Members. Each Member shall have the number of votes on a matter before the Members equal to the number of Membership Interests they acquire, as set forth on Exhibit A and their Counterpart Signature Page. If all or a portion of a Member's Membership Interests were transferred to an Assignee, and such Assignee has not been admitted as a Member under Article XI, neither the Member transferring such portion of the Membership Interests to the Assignee nor the Assignee shall be entitled to vote the transferred portion of the Membership Interests.

6.2 **Voting Matters.**

(a) Any Member that abstains from voting its Membership Interest or fails (or refuses) to vote its Membership Interests shall be deemed to have consented to the matter. Any Manager that is also a Member shall have the right to vote its Membership Interests on the same terms as all other Members.

(b) Subject to the provisions of the Certificate, the removal of the Manager may only be undertaken pursuant to the conditions set forth in Section 7.4.

(c) Notwithstanding any provisions of this Operating Agreement to the contrary, no Member shall be required to make any Capital Contributions other than their Initial Capital Contribution without the written consent of the Member to whom the request is made.

6.3 **Meetings.**

(a) There shall be no annual meeting of Members.

(b) Subject to the notice requirements in Section 6.5, special meetings of the Members may be called by the Manager or by any Member or group of Members who own (either individually or in the aggregate) more than 49% of the Membership Interests.

6.4 **Informal Action by Members.**

(a) Any action required by the Act or this Operating Agreement to be taken at a meeting of the Members or any other action which may be taken at a meeting of all of the Members, may be taken without such a meeting with the written consent of those Members entitled

to vote thereon necessary to carry out such actions if a meeting were held, setting forth the action so taken, so long as all Members have been given five (5) days prior written notice of the request to take action and all Members are promptly informed of any action so taken.

(b) In addition, the Members agree that any meeting can be held by teleconference or other form of voice/data communication that allows all Members to participate in the proceedings, and that any actions or votes that would otherwise be undertaken at a meeting where Members are present, may be undertaken at a meeting held in accordance herewith and shall have the same force and effect as if the Members were physically present.

6.5 **Notice of Meeting.** The Company shall deliver written notice stating the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called, not less than five (5) and not more than 60 days before the date of any meeting of Members (unless notice of such meeting is waived by all of the Members).

6.6 **No Liability of Members.** No Member shall be liable in its capacity as a Member for the liabilities of the Company. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under this Operating Agreement or the Act shall not be grounds for imposing personal liability on the Members or the Manager for liabilities of the Company, except to the extent the authority granted hereunder is excluded.

6.7 **No Exclusive Duty to Company.** Each Member may have other business interests and engage in activities in addition to those relating to the operations of the Company. Neither the Company nor any other Member shall have any right, by virtue of this Operating Agreement or otherwise, to share or participate in such other investments or activities of the other Members or to the income or proceeds derived therefrom. Nothing in this Operating Agreement shall be deemed to restrict in any way the rights of any Member, or any Affiliate of any Member to conduct any other business or activity whatsoever, and Members shall not be accountable to the Company or to any other Member with respect to that business or activity even if the business or activity competes with the Company's business. The organization of the Company shall be without prejudice to their respective rights (or the rights of their respective Affiliates) to maintain, expand or diversify such other interests and activities and to receive and enjoy profits or compensation therefrom. Each Member waives any rights the Member might otherwise have to share or participate in such other interests or activities of any other Member or the Member's Affiliates. Each Member understands and acknowledges that the conduct of the Company's business may involve business dealings and undertakings with one or more Members and their Affiliates and the Manager and its Affiliates. In any of those cases, those dealings and undertakings shall be at arm's length and on commercially reasonable terms, in each case as determined by the Manager in its sole reasonable discretion.

6.8 **Compensation of Members.** No Member shall be required to perform services for the Company solely by virtue of being a Member. Except as provided herein, or unless approved by the Manager, no Member shall perform services for the Company or be entitled to compensation for services performed for the Company; however, if the Manager is also a Member, it will be entitled to compensation in connection with its activities as a Manager or an Affiliate thereof.

6.9 **Member Entities.** In the event any Member is an entity with multiple owners, such Member entity shall designate one person to act as the authorized representative of said entity and who shall be responsible for accepting all notices, attending any meetings, communicating information or otherwise acting on behalf of the Member entity. This designation shall be made and set forth on the Member's Counterpart Signature Page, as amended from time to time.

6.10 **Telephonic Meetings.** Any Manager or Member may participate in and act at any meeting through the use of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute attendance and presence in person at the meeting of the person or persons so participating.

6.11 **Loans from Members.** If agreed by the Company and a Member, the Company may borrow funds from such Member on such terms as may be agreed between the Company and the Member; provided, however, that the interest rate for any such loan shall be eight percent (8.00%) per annum (compounded cumulatively). No loan received from any Member shall increase such Member's Capital Account, and it shall be a debt due from the Company to such Member payable in accordance with its terms.

ARTICLE VII MANAGER

7.1 Management.

(a) The business and affairs of the Company shall be managed by its Manager. The Members unanimously agree that the initial Manager shall be Cedar Manager. The Manager shall direct, manage and control the business of the Company subject to the terms, conditions and limitations set forth in this Operating Agreement. Except for situations in which the approval of the Members is expressly required by this Operating Agreement (expressly including those situations set forth in Section 6.2(b)), or by non-waivable provisions of the Act, if any, the Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's activities.

(b) The Company hereby designates the Manager to execute documents on behalf of the Company as approved in accordance with the provisions of this Operating Agreement, including but not limited to that certain limited liability company agreement of the Joint Venture.

(c) A Manager shall serve until:

- (i) removal of such Manager pursuant to Section 7.4 below; or
- (ii) resignation of such Manager pursuant to Section 7.5 below.

7.2 **Authority of the Manager.** Except as provided in this Operating Agreement, all powers of the Company shall be exercised by the Manager. Decisions of the Manager within the scope of its authority shall be binding upon the Company and each Member, except as provided in this Operating Agreement. The Manager shall have full, exclusive, and complete discretion, power, and authority, subject to any other provisions of this Operating Agreement (expressly including the right to bind the Company) to manage, control, administer, and operate the business and affairs of the Company, and to make all decisions affecting such business and affairs, including the acquisition and disposition of the Property or direct or indirect interests in the Property Owner.

7.3 **No Authority of Members to Bind the Company.** Only the Manager (and the officers of the Company pursuant to authority granted by the Manager) shall have the authority to bind the Company by executing documents or otherwise. No Member (other than the Manager if also a Member) shall take any action as a Member to bind the Company. Any Member that violates this provision shall fully indemnify the Company and the other Members for all damages and costs that directly or indirectly arise from such actions.

7.4 **Removal of a Manager.** The Manager shall be removed only after (i) the occurrence of a Removal Event, (ii) the vote of Members holding two-thirds (2/3) of the outstanding Membership Interests and (iii) the delivery to the Manager of a notice executed by all of the Members voting to approve such removal, appointing a successor Manager and evidencing such successor Manager's acceptance of the appointment, which removal shall be effective on the date (the "**Removal Date**") set forth in such notice, and the Manager and its Affiliates shall not vote on such matter; provided, for purposes of determining eligibility to vote on such a removal, no Member shall be considered an Affiliate of the Manager solely by virtue of its membership in the Company. The removal of a Manager who is also a Member shall not affect his, her or its rights as a Member or those of any Affiliate thereof, and shall not constitute a withdrawal of such Member or any Affiliate thereof.

7.5 **Resignation.**

(a) A Manager may resign at any time by giving a notice (the "**Resignation Notice**") to the Members and any other Manager, which Resignation Notice may, but is not required to, appoint a successor Manager. Upon receiving a Resignation Notice, if no successor Manager is appointed in the Resignation Notice, the Members holding two-thirds (2/3) of the outstanding Membership Interests may by written consent appoint a successor Manager. The resignation of the Manager shall take effect upon the date (the "**Resignation Date**") that is the earlier of: (1) 90 days after the Manager delivers the Resignation Notice to the Members; (ii) the appointment, in accordance with the provisions of this Section 7.5(a) of a successor Manager (including, without limitation, the appointment of successor Manager in the Resignation Notice); or (iii) such other date as agreed to by the Manager and the Company (acting with the consent of the Members holding two-thirds (2/3) of the outstanding Membership Interests). The resignation shall be effective without acceptance by the Company or any Member.

(b) The resignation of a Manager who is also a Member shall not affect his rights as a Member and shall not constitute a withdrawal of such Member.

7.6 **Bank Accounts.** The Manager may from time to time open bank accounts in the name of the Company, with such signatories as designated by the Manager.

7.7 **Chairman and Officers.** The Manager may appoint officers of the Company in its sole discretion, which may include any positions it determines, each of which will have the powers typically associated with such position, although in no event will such powers exceed those of the Manager set forth herein or otherwise applicable. Any number of offices may be held by the same person. The Manager may choose such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Manager.

7.8 **Compensation of the Manager; Personal Services; Compensation.**

(a) No Member shall be required to perform services for the Company solely by virtue of being a Member. Except as provided herein, or unless approved by the Manager, no Member shall perform services for the Company or be entitled to compensation for services performed for the Company. Except as set forth herein, the Manager and officers shall not be entitled to any compensation for acting in such capacity (except insofar as they receive compensation from a management company hired by the Company or the Subsidiaries, or for goods or services provided that are not covered by a management agreement) except that the Manager shall be reimbursed all reasonable expenses incurred in managing the Company.

(b) The Manager and its Affiliates shall be entitled to reimbursement for all expenses incurred on behalf of the Company. Such reimbursement shall include amounts incurred in connection with the formation of the Company and the offering of Membership Interests in the Company to prospective investors.

(c) The Members acknowledge that the Manager, or an Affiliate of the Manager may perform certain services for the Company or in connection with the Property, or any property owned by subsidiaries of the Company (including, without limitation, the Property Owner), and may receive fees or other remuneration from the Company (or, with respect to any Member's relative Percentage Interest, from a Member) including the following:

(i) The Joint Venture (or one of its affiliates or subsidiaries) shall pay to the Manager (or the Manager's designee) on the closing of the disposition of the Project (or any portion thereof), a disposition fee equal to five percent (5%) of the difference between the gross sales price of the Project (or, if applicable, the portion of the Project being conveyed) and the closing costs and expenses (including any commissions) incurred in connection with such disposition (the "**Disposition Fee**"), which Disposition Fee shall be deemed earned and due and payable as of the closing of the disposition of the Project or any portion thereof.

(ii) The Company shall pay to Manager (or Manager's designee) an annual asset management fee equal to two percent (2%) of the total of all Capital Contributions to the Company (the "**Asset Management Fee**") which shall be due and payable in arrears on a monthly basis beginning with the month during which Capital

Contributions are first made, and continuing thereafter for each subsequent month (or any portion thereof) that the Company maintains a direct or indirect ownership interest in the Property.

(iii) Offers and sales of Membership Interests will be made on a “best efforts” basis by broker-dealers ("**Selling Group Members**") who are members of the Financial Industry Regulatory Authority, Inc. ("**FINRA**") and will receive selling commissions (the "**Selling Commissions**") in an amount up to ten percent (10%) of the purchase price of the Membership Interests sold by the Selling Group Members (combined with all other sales of Interests, the "**Total Sales**"), which it will reallocate to the Selling Group Members; provided, however, that this amount will be reduced in the event a lower commission rate is requested by a Selling Group Member and the commission rate will be the lower agreed upon rate. As a result, certain Members may acquire Membership Interests net of Selling Commissions. All Selling Commissions incurred by the Company shall be paid by the Company.

(iv) The Members acknowledge and agree that the Manager, or an Affiliate of the Manager, shall be entitled to certain other enumerated fees, including but not limited to property management fees, as further detailed in the limited liability company agreements of the Joint Venture and/or the Property Owner.

(v) In addition, the Members acknowledge that the Manager (or Manager’s designee) may perform certain additional services for the Company, or in connection with the Property, or any property owned by subsidiaries of the Company, and may receive fees or other remuneration from the Company, the Joint Venture, or the Property Owner in connection therewith, provided that any additional fees or remuneration paid by the Company to the Manager or an Affiliate of the Manager shall be paid pursuant to an arm’s length transaction which is competitive with third-party service providers. In addition, Manager and each officer shall be entitled to be reimbursed for reasonable out-of-pocket costs and expenses incurred in the course of its service hereunder prior to any Distributions hereunder. Additionally, to the extent that that the Manager or any Member or any of its direct or indirect constituent equity holders elect to guaranty any obligation of the Company or any of its subsidiaries or Affiliates (which they are not obligated to do), the Company shall reimburse the Manager or such constituent equity holders to the extent of any loss, cost or expense (including, without limitation, attorneys’ fees) incurred by such Person pursuant to the applicable guaranty.

7.9 **Other Business Interests.** Nothing in this Operating Agreement shall be deemed to restrict in any way the rights of the Manager, or any Affiliate of the Manager, to conduct any other business or activity whatsoever, and shall not be accountable to the Company or to any other Member with respect to that business or activity even if the business or activity competes with the Company’s business; provided, however, that nothing in this Section 7.9 shall affect or supersede any such restrictions imposed on a Member by any other contract or agreement to which both the Company and/or any of its Affiliates, and the Manager are a party. The Members acknowledge that the Manager and its Affiliates own or may own interests in other real properties (including those that may not directly compete with the Company) and related companies which may compete

with the Project and/or the activities of the Company and may enter into other competitive businesses outside the Company. Further, the Manager is not required to manage the Company as its sole and exclusive function and any Manager may have other business interests and engage in activities in addition to those relating to the Company, except as otherwise provided herein. In addition, the Manager may invest or engage in other business activities. Neither the Company nor any Member shall have any right to share or participate in such other investments or activities of the Manager or its Affiliates or to the income or proceeds derived therefrom.

7.10 **Conflicts of Interest.**

(a) Except as specifically set forth herein or as set forth in any other agreement between the Company and any Member, nothing in this Operating Agreement shall be deemed to restrict in any way the rights of any Member, or any Affiliate of any Member, to conduct any other business or activity whatsoever, and the Member shall not be accountable to the Company or to any other Member with respect to that business or activity even if the business or activity competes with the Company's business. Neither the Company nor any Member shall have any right, by virtue of this Operating Agreement, to share or participate in any other investments or activities of any other Manager or Member. Each Member understands and acknowledges that the conduct of the Company's business may involve business dealings and undertakings with Members, the Manager, and their affiliates. In any such event, those dealings and undertakings shall be at arm's length and on commercially reasonable terms, and no Manager or officer shall use its office to obtain favorable treatment for or on behalf of itself, its affiliates or others which would not otherwise be received in an arm's length transaction.

(b) Each Member understands and acknowledges that the conduct of the Company's business may involve business dealings and undertakings with the Manager and its Affiliates. In any of those cases, those dealings and undertakings shall be at arm's length and on commercially reasonable terms, in each case as determined by the Manager, in its sole reasonable discretion.

7.11 **Standard of Care.**

(a) The Manager shall perform its duties as Manager, and take all actions as Manager, in good faith and in accordance with the fiduciary duties that a board of directors would have to stockholders and a corporation under the Delaware General Corporation Law.

(b) In discharging its duties, the Manager shall be fully protected from liability for relying in good faith upon the records required to be maintained hereunder or upon such information, opinions, reports or statements by any of the Members, or agents, or by any other Person, as to matters the Manager reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of assets from which distributions to Members might properly be paid.

7.12 **Side Letters.** The Manager shall have the authority to, on its own behalf or on behalf of the Company, enter into side letters or other agreements ("**Side Letters**") with any Member without the consent of any other Members that may have the effect of amending or modifying such Member's Subscription Agreement or this Operating Agreement with respect to such Member. The conditions, concessions and economic terms contained in any Side Letter may differ from those set forth in this Operating Agreement, and such Side Letter terms will be confidential to the investor receiving such Side Letter except to the extent the Manager agrees in another Member's Side Letter. Except as may be expressly agreed to by the Manager in its sole and absolute discretion, no Member will have a right to any terms contained in any Side Letter of another Member solely because they were offered to such other Member, and there is no most favored nations clause across the Company with respect to Side Letters, and no investor in the Company will be entitled to any more favorable provision than is set forth in this Operating Agreement for such investor except as may be provided in a Side Letter.

ARTICLE VIII CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

8.1 Members' Capital Contributions.

(a) The Company intends to issue Membership Interests for Capital Contributions made by Members as listed on Exhibit A. If the Manager determines that the Company requires additional funds in the form of equity, the Company reserves the right to issue additional Membership Interests pursuant to Sections 8.2 and 8.3 below. Membership Interests will initially be issued upon acceptance by the Manager of an executed Subscription Agreement, an executed Counterpart Signature Page and upon meeting the other conditions set forth in this Operating Agreement. Initial Capital Contributions shall be made at the time a Subscription Agreement is accepted by the Manager, unless the Manager determines otherwise. The minimum Initial Capital Contribution of a Member is \$50,000, but the Manager reserves the right to accept Initial Capital Contributions of a lesser amount, in its sole and absolute discretion.

(b) Immediately following any Capital Contribution to the Company (other than the Initial Capital Contributions), including without limitation any Capital Contribution pursuant to Section 8.2(b) or 8.2(c) or Capital Contributions, if any, made in connection with clause (A) of Section 8.3 (the "**Additional Capital Contributions**"), the Percentage Interest of each Member shall be adjusted to equal a fraction (expressed as a percentage), the numerator of which is the sum of (x) all Initial Capital Contributions made by such Member, plus (y) all Additional Capital Contributions made by such Member, and the denominator of which is all Capital Contributions made to date by all Members.

8.2 **Required Funds.** No Member shall be required to make aggregate Capital Contributions in excess of the amount of its Initial Capital Contribution without the consent of such Member. In the event that the Manager determines in its sole and absolute discretion that the Company requires additional funds for any reason ("**Required Funds**"), then at the Manager's election, in its sole and absolute discretion, may:

(a) may make a loan (a "**Manager Loan**") to the Company in the amount of the Required Funds, bearing interest at means a rate of interest not to exceed the lesser of eleven percent (11%) per annum and the highest rate permitted by law, in each case, compounded annually, and due at such time as determined by the Manager, in its sole but reasonable discretion, but in any event on or prior to the dissolution of the Company, payable first to accrued interest and then to principal, until the full amount of the Manager Loan, including accrued interest, is paid; or

(b) cause the Company to request that each Member contribute to the Company its respective share, which share shall bear the same ratio to the total amount of the Required Funds as such Member's Percentage Interest (as determined immediately prior to the funding of the Required Funds), of the Required Funds by providing each Member with a written notice (a "**Capital Call Notice**") stating each Member's amount of Additional Capital Contributions, and each Member shall on or before the date that is 10 days after receipt of such Capital Call Notice (the "**Contribution Date**"), make such Additional Capital Contributions to the Company, as set forth in such Capital Call Notice; and

(c) with respect to any Capital Call Notice, designate as "priority capital" all or a portion of the Additional Capital Contributions made pursuant to such Capital Call Notice (the "**Priority Capital**"), which Priority Capital shall be entitled to a distribution preference to the extent set forth in Section 9.3(a) and shall accrue an eight percent (8%) per annum (cumulative compounded) preferred equity return on the amount of any Unrecovered Priority Capital (the "**Priority Capital Preferred Return**"), calculated from the date such Unrecovered Priority Capital was contributed through the date of distribution of such Unrecovered Priority Capital pursuant to Section 9.3(a)(ii).

8.3 **Non-Contributing Members; Issuances of Additional Interests.** If any Member chooses not to or fails on or before the Contribution Date to contribute its proportionate share of the Required Funds as set forth in a Capital Call Notice (each, a "**Non-Contributing Member**"), the Manager may, in its sole discretion, elect to cause the Company to incur, issue or sell to Members, Affiliates of Members or other Persons: (A) additional Membership Interests or other interests in the Company (including other classes or series thereof having different rights and preferences, including rights that are superior to the existing Membership Interests), (B) obligations, evidences of indebtedness or other securities or interests convertible or exchangeable into Membership Interests or other interests in the Company, (C) warrants, options or other rights to purchase or otherwise acquire Membership Interests or other interests in the Company and (D) obligations, evidences of indebtedness or other loans proposed to be made by the Manager or any of its Affiliates (the "**Additional Interests**"). The Members acknowledge that the Additional Interests may have rights and preferences that are superior to their Membership Interests and that the issuance of the Additional Interests may dilute their Membership Interests. Any dilution will affect all existing Membership Interests in the same manner unless otherwise approved in writing by each Member that is diluted disproportionately and less favorably. For avoidance of doubt, Additional Interests may be issued by Manager to Persons that are Affiliates of Manager and/or the Members (including such Affiliates that are currently Members of the Company), without seeking or obtaining the consent of or notice to the Members. Upon the issuance of any Membership Interests or other interest in the Company, the Manager shall amend (or amend and restate) this Operating Agreement to reflection such issuance.

8.4 **Capital Accounts.**

(a) A separate Capital Account will be maintained for each Member. The Capital Accounts are to be established and maintained in accordance with Regulation Section 1.704-1(b)(2)(iv), and are intended to comply with the requirements of Code Section 704(b) and the Treasury Regulations promulgated thereunder. If the Manager determines that the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of Section 8.4 should be modified in order to comply with Code Section 704(b) and the Treasury Regulations, then notwithstanding anything to the contrary contained in the preceding provisions of Section 8.4, the method in which Capital Accounts are maintained shall be so modified.

(b) Upon liquidation of the Company, allocations for the Company's final tax year shall be made pursuant to Section 9.1, and distributions shall be made pursuant to Section 13.2(b).

(c) No Member shall have any obligation (or other form of liability) to restore all or any portion of a deficit balance in such Members Capital Account following liquidation or at any earlier date, and no provision should be interpreted as requiring such contributions.

8.5 **Withdrawal or Reduction of Members Contributions to Capital.** A Member shall not receive out of the Company's property any part of its Capital Contribution until all liabilities of the Company, other than amounts owed to Members on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to pay them. A Member, irrespective of the nature of its Capital Contribution, has no right to demand receipt of any payments in a form other than cash.

ARTICLE IX

ALLOCATIONS, INCOME TAX, DISTRIBUTIONS, ELECTIONS AND REPORTS

9.1 **Allocation of Profits and Losses and Selling Commissions.** The Company shall allocate its items of income, gain, loss or deduction for any fiscal year among the Members in such manner that, as of the end of such fiscal year and to the greatest extent possible, the Capital Account of each Member shall be equal to the respective net amount, positive or negative, that would be distributed to such Member from the Company or for which such Member would be liable to the Company under the Operating Agreement, determined as if, on the last day of such fiscal year, the Company were to (a) liquidate the assets of the Company for an amount equal to their book value, and (b) distribute the proceeds in liquidation in accordance with Section 13.2(b). Notwithstanding anything herein to the contrary, each Member will be specially allocated Selling Commissions to be borne by such Member in accordance with the definition of "Capital Account."

9.2 **Regulatory Allocations.** The following special allocations shall be taken into account in allocating tax attributes among the Holders:

(a) **Allocation of Tax Attributes.** Notwithstanding any of the provisions of this Article IX to the contrary, the allocations of tax attributes shall be made in accordance with, and in the following order of priority of; the following special allocation provisions currently contained

in the Code and the Treasury Regulations (including any amendments thereto): (i) a "minimum gain chargeback" provision as such term is defined and applied under Treasury Regulation Section 1.704-2(f); (ii) a "partner non-recourse debt minimum gain chargeback" provision as such term is defined and required under Treasury Regulation Section 1.704-2(i); (iii) a "qualified income offset" provision as such term is defined and applied under Treasury Regulation Section 1.704-1(b)(2)(ii)(d); (iv) any item with loss, deduction or expenditure described in Section 705(a)(ii)(b) of the Code that is attributable to a Holder non-recourse debt shall be allocated among the Holders pro rate, based on their Membership Interests; and (v) any special allocations of tax attributes pursuant to this Section 9.2 shall be taken into account in computing subsequent allocations of tax attributes so that the net amount of any tax attributes so allocated shall, to the extent possible without violating the constraints on Deficit Capital Account balances, equal to the net amount that would have been allocated to each Member pursuant to the other provisions of Article IX determined without regard to this Section 9.2.

(b) Allocation of Deduction or Loss in Certain Circumstances. No Holder shall be allocated any item of deduction or loss of the Company if such allocation would cause such Holder to have a Deficit Capital Account unless and to the extent that such Holder bears the risk of loss attributable to such deduction or is otherwise entitled to a share of such allocation under Treasury Regulation 1.704-1(b).

(c) Section 754 Adjustment. To the extent an adjustment to the adjusted tax basis of any asset of the Company 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 Holders 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.

(d) Other Allocation Rules.

(i) For purposes of determining the allocation of tax items allocable to any period, such tax items shall be apportioned among the Holders according to the Percentage Interests of each Holder as of the 15th day of each month. This method is intended to comply with the provisions of Section 706 of the Code.

(ii) All allocations to the Holders pursuant to this Article IX shall, except as otherwise provided in this Operating Agreement, be divided among them in proportion to the Percentage Interests of each.

(iii) Excess non-recourse liabilities of the Company (as defined in Treasury Regulation Section 1.752-4) will be allocated among the Holders in proportion to the Percentage Interests of each.

(iv) The Members are aware of the income tax allocations made by this Article IX and hereby agree to be bound by the provisions of this Article IX in reporting their shares of income and loss for income tax purposes.

(e) Tax Allocations; Code Section 704(c). Allocations of income, gain, loss, deduction or other items for income tax purposes shall be made in the same manner as the allocation of corresponding book items, unless otherwise required by the Code or Treasury Regulations. In accordance with Code Section 704(c) and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any Asset contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Holders so as to take account of any variation between the adjusted basis of such asset to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with paragraph 1.1(t)(i) of the definition of Gross Asset Value, above).

(i) In the event the Gross Asset Value of any Company asset is adjusted pursuant to paragraph (ii) of the definition of Gross Asset Value, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Treasury Regulations thereunder.

(ii) Any elections or other decisions relating to such allocations shall be made by the Manager in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 9.2(e) are solely for purposes of federal, state, and local taxes.

(f) For any period in which a state in which the Company is subject to tax imposes an entity level income tax upon the income of the Company (such as the Illinois Personal Property Replacement Tax), and the Company is entitled to a credit or deduction in computing that tax for income allocable to one or more (but fewer than all) Holders who are separately subject to such entity level tax (such as Members that are entities rather than individuals), the Members' respective allocable shares of the Company's income, gain, loss or deduction shall be computed first without taking the Company's tax liability into account, and the Company's tax liability shall then be specially allocated to those Members who are not separately subject to the entity level tax for whom no credit or deduction was available to the Company.

9.3 **Distributions.**

(a) Subject to Section 9.3(b), Distributable Cash will be distributed at such times as determined by the Manager, in its sole and absolute discretion, and when so distributed shall be distributed:

(i) First, to the Members entitled to Priority Capital Preferred Returns to the extent of the aggregated amount of accrued but unpaid Priority Capital Preferred Returns, apportioned among such Members to the extent of the accrued but unpaid Priority Capital Preferred Return owed by to such Members;

(ii) Second, to the extent of Distributable Cash derived from any Capital Transaction, to the Members who have made contributions of Priority Capital apportioned among them to the extent of such Members' Unrecovered Priority Capital.

(iii) Third, to the Members who have made Capital Contributions apportioned among them pro rata based on their Percentage Interests until the Members have received cumulative distributions under this Section 9.3(a)(iii) equal to an eight percent (8%) IRR with respect to their Capital Contributions, exclusive of Priority Capital.

(iv) Thereafter, to the Members, apportioned among them pro rata based on their Percentage Interests.

(b) Distributions to Pay Taxes.

(i) At the sole discretion of the Manager, the Company may distribute to the Members cash to enable them to pay all or a portion of the federal, state and local income tax attributable to their respective Interests to the extent that the Company has cash available to do so, including maintaining adequate funds in reserves, and is not prohibited from doing so pursuant to the terms of any loan or other agreement. Such distributions shall be made prior to any distributions under Section 9.3(a) and shall be treated as advances of amounts to be distributed under Section 9.3(a) in the future. These distributions will be based on the tax attributes of the Company allocable to the Holders assuming each Holder is subject to the maximum combined effective federal and state income tax rate applicable to an individual resident in Illinois, and will not take into account the particular tax circumstances of any Member.

(ii) If the Company makes a special allocation of tax attributes under Section 9.2(f), the Company shall first distribute to any Members who are not allocated such attributes (the "**Entity Members**") an amount of cash equal to the tax attributes allocated to the Members who are not Entity Members.

(iii) Except as expressly set forth in the preceding sentence, all amounts withheld pursuant to the Code or any other provisions of federal, state or local tax law with respect to any payment or distribution to the Members shall be treated as amounts distributed to the relevant Member pursuant to the relevant provision of Sections 9.3(a) and Section 13.2 (as applicable).

(c) Like-Kind Exchanges. Notwithstanding anything to the contrary set forth in this Section 9.3, if upon a sale of a Property, Manager determines that it is in the best interest of the Company to effect a like-kind exchange of the Property into replacement property (a "**Like-Kind Exchange**") in lieu of distributing proceeds to the Members, Manager shall give a notice of such determination to the Members no later than 30 days prior to the consummation of the Like-Kind Exchange ("**Exchange Notice**"). Each Member shall have the right to elect, within 10 days after receipt of the Exchange Notice, either to (i) participate in the Like-Kind Exchange or (ii) transfer its Membership Interest to the Manager or its designee upon payment to such Member by Manager or such designee of an amount equal to the distributions such Member would have

received pursuant to Section 9.3(a) had no Like-Kind Exchange occurred (a "**Cash-Out**"). If a Member elects a Cash-Out, such Cash-Out will occur within 30 days after consummation of the Like-Kind Exchange and such Member and Manager or its designee will simultaneously execute and deliver an Assignment of Membership Interest in the form attached hereto as **Exhibit B**.

9.4 **Limitation Upon Distributions**. No distributions or return of contributions shall be made and paid if, after the distribution or return of distribution is made, the Company would be insolvent.

9.5 **Interest On and Return of Capital Contributions**. No Member shall be entitled to interest on its Capital Contribution or to a return of its Capital Contribution except as otherwise provided in this Operating Agreement.

9.6 **Accounting Period**. The Company's accounting period shall be the calendar year ("**Fiscal Year**").

9.7 **Records and Audits**.

(a) **Records to be Maintained**. The Company shall maintain the following records:

(i) a list of the full name and last known address of each Member setting forth the amount of cash each Member has contributed, a description and statement of the agreed value of the other property each Member has contributed or has agreed to contribute in the future, and the date on which each became a Member;

(ii) a copy of this Operating Agreement and the Certificate together with executed copies of any powers of attorney pursuant to which any amendments to the Certificate have been executed and filed with the Secretary of State's office;

(iii) copies of the Company's federal, foreign, state and local income tax returns and reports, if any, for at least the three (3) most recent years; and

(iv) financial statements of the Company, if any, for at least the three (3) most recent years.

(b) **Information and Accounting Members**. A Member shall have the right upon reasonable demand for any purpose reasonably related to the Member's interest as a Member to inspect at reasonable times and copy at his, her or its expense the records the Company is required to keep, including, without limitation, for purposes of using such records to prepare, at such Member's sole expense, an accounting of distributions made by the Company. Specifically, upon request by any Member, the Company shall provide monthly bank statements and grant the requesting Member access to online banking information.

9.8 **Reports to Members**. At the expense of the Company, the Manager shall provide reports, including a valuation of the Property, a balance sheet, statement of profit and loss, and changes in Members' accounts, and a statement of cash flows, at least annually to the Members as

soon as practicable following the end of each Fiscal Year of the Company. All such reports shall be prepared by an independent certified public accountant. The Manager shall also provide to the Members a summary report on the status of the Property on a quarterly basis.

9.9 **Accounting, Financial and Tax Reporting.** The Company's profits and losses shall be determined on an income tax basis.

(b) The Manager shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business.

(c) The Company will furnish to the Members as soon as available the annual completed financial statements for the Company on a calendar year basis.

9.10 **Tax Matters Partner.**

(a) Cedar Manager is hereby designated as the "partnership representative" (within the meaning of Section 6223 of the Code, as amended by the Bipartisan Budget Act of 2015 (the "BBA") (the "**Tax Representative**"), and is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including, without limitation, administrative and judicial proceedings (each such examination or proceeding, a "**Tax Proceeding**"), to expend Company Funds for professional services and costs associated therewith, and to make all decisions and take any other actions on behalf of the Company with respect to such Tax Proceedings, including, without limitation, to make any elections permitted to be made by the Company under the BBA. The Members agree to cooperate with each other and to do or refrain from doing any and all things reasonably required to conduct such proceedings. In furtherance of the foregoing and without further consideration, each Member hereby agrees to execute and deliver such other documents and take such other action as may be reasonably requested by the Tax Representative to implement the decisions made by the Tax Representative in the exercise of its authority under this Section 9.10 to make decisions with respect to any Tax Proceeding. The Tax Representative may resign at any time by giving written notice to the Company and each of the other Members. The Tax Representative shall be authorized, on behalf of the Company, to designate a Person to act as the Tax Representative's designated individual at such time and in such manner as may be prescribed by the Regulations.

(b) The Tax Representative shall keep all Members reasonably informed of the progress of any tax audits or examinations.

(c) In the event of any controversy with the Internal Revenue Service or any other taxing authority involving the Company, the outcome of which may adversely affect the Company, directly or indirectly, or the amount of allocation or profits, gains, credits or losses of the Company to an individual Member, the Tax Representative shall cause the Company to incur such expenses as the Tax Representative deems necessary or advisable and in the interest of the Company in connection with any such controversy, including, without limitation, attorneys' and accountants' fees.

(d) The Tax Representative may cause the Company, in connection with any audit or proposed adjustment by the Internal Revenue Service, to make a valid election pursuant to Section 6226 of the Code and to comply with any requirements necessary to the continued validity of such election and accordingly to require each Person who was a Member during the Fiscal Year of the Company that was audited (a "**Review Year**") to personally bear any tax, interest and penalty resulting from adjustments based on such audit, and shall notify each such Person (and the Internal Revenue Service) of its share of such audit adjustments. Each Member agrees to the foregoing, even if such Person is no longer a Member at the time of the assessment of such tax, interest or penalty.

(e) In the event that the Company is unable (or otherwise fails) to make an election pursuant to Section 6226 of the Code and the Company is subject to an entity-level tax (including any interest, addition to tax, or penalties related thereto, an "**Entity Tax**") as a result of adjustments to items of income, gain, deduction, loss or credit of the Company for any Review Year, then i) each Member agrees that each Person who was a Member during the Review Year, even if such Person is no longer a Member (unless a transferee Member has agreed to bear such liability in an appropriate document evidencing a Transfer effectuated in accordance with Articles X and XI hereof), shall pay to the Company, upon thirty (30) days' written notice from the Tax Representative requesting the payment, an amount equal to such Person's proportionate share of such liability (including such Member's share of any additional accrued interest assessed against the Company relating to such Member's share of the assessed amounts), as reasonably determined by the Tax Representative, based on the amount each such Person would have borne (computed at the tax rate used to compute the Company's liability, as may be adjusted pursuant to clause ii) below) had the Company's tax return for such Review Year reflected the audit adjustment, and the expense for the Company's payment of such Entity Tax shall be specially allocated to such Persons (or their successors) in such proportions, and ii) the Tax Representative will use commercially reasonable efforts to (x) if a Member was a tax-exempt entity during such Review Year, reduce the amount of such Entity Tax liability owed by the Company on account of the tax-exempt status of such Member as provided in Section 6225(c)(3) of the Code, (y) if a Member was a C corporation or an individual during such Review Year, reduce the amount of such Entity Tax liability owed by the Company on account of such status as provided in Section 6225(c)(4) of the Code, and (z) reduce, to the extent possible, the Entity Tax liability based on any other provisions of the Code or Regulations thereunder that may be applicable in such circumstance. At the reasonable discretion of the Manager, with respect to current Members, the Company may alternatively allow some or all of a Member's obligation pursuant to the preceding sentence to be applied to and reduce the next distribution(s) otherwise payable to such Member under this Operating Agreement provided that such application to and reduction of the distributions shall apply to all current Members having a share of the assessment, pro-rata based on the Members' shares of the assessment.

(f) The Members acknowledge and agree that the Company may pay tax obligations under this Section 9.11 that relate to a period prior to the time a Member was admitted to the Company as a Member or when the Member's Percentage Interest was less, and the Company, after reasonable efforts, may be unable to collect payments from Review Year Members pursuant to clause (e) of this Section 9.11. Consequently, a Member at the time of payment by the

Company may bear the burden of tax obligations related to adjustments to tax items from which the Member did not benefit.

(g) Cedar Manager is specifically directed and authorized to take whatever steps in its discretion it deems necessary or desirable to perfect Cedar Manager's designation as Tax Representative, including, without limitation, filing any forms or documents with the Internal Revenue Service and taking such other action as Cedar Manager in its discretion determines may from time to time be required or advisable under the Regulations. Each Member hereby agrees to the Tax Representative extending the statute of limitations with respect to such Member regarding "partnership tax items" (without the further consent of such Member being required) and settling any dispute with a taxing authority for the Company.

(h) The provisions contained in this Section 9.11 shall survive the dissolution of the Company and the withdrawal of any Member or the Transfer of any Member's Membership Interest in the Company. The provisions of this Section 9.11 shall survive the termination of the Company and shall remain binding on the Members for as long a period of time as is necessary to resolve with the Internal Revenue Service any and all matters regarding the federal income taxation of the Company or the Members, and any other proceeding with any other such taxing authority, and for the Members to satisfy their obligations hereunder. Each Member shall file tax returns consistent with the tax treatment set forth in the Company's tax returns.

(i) Neither the Tax Representative nor the designated individual shall have personal liability arising out of his, her or its good faith performance of his, her or its duties as the Tax Representative or designated individual hereunder, and the Company shall pay all reasonable out-of-pocket costs of the Tax Representative and designated individual in connection with his, her or its representation of the Company as the Tax Representative or designated individual, as applicable. The provisions on limitations of liability of the Manager and Members and indemnification set forth in Article XIII hereof shall be fully applicable to the Tax Representative and the designated individual in his, her or its capacity as such.

9.11 **Construction.** The use of the term "Member" in this Article IX shall be deemed to include a Holder where applicable to make distributions of cash or allocations of tax attributes.

ARTICLE X TRANSFERABILITY

10.1 **General.** Except as otherwise provided under this Article X, and subject to such other reasonable requirements imposed by the Manager to prevent violations of the federal and state securities laws and any other limitations imposed under Article X, no Member shall have the right, without the consent of the Manager or otherwise, to Transfer its Membership Interests to any purchaser.

10.2 **Dispositions not in Compliance with this Article Void.** Any attempted Transfer of a Membership Interest, or any part thereof not in compliance with this Article X is null and void *ab initio*.

10.3 **Permitted Transfers.** Notwithstanding any restrictions on the Transfer of Interests or the requirement of consent of the Manager to any such Transfers, but subject to the covenants contained in any mortgage or deed of trust to which the Company becomes a party, each Member shall be permitted to Transfer interests held by such Member to one or more persons, or trusts for the benefit of persons, who is the Member, an affiliate of a Member (in connection with the restructuring of such Member), a spouse of the Member or are lineal descendants, parents, siblings, or spouses of lineal descendants or siblings of the Member, and the Manager shall be deemed to have approved such Transfer, so long as: (i) such Transfers are made solely for estate or tax planning purposes; (ii) the transferring Member gives the Manager written prior notice of such Transfer; (iii) the Transfer will not violate federal and state securities laws; and (iv) the transferee agrees in writing to be bound by all terms of this Operating Agreement.

10.4 **Reasonableness of Transfer Conditions.** Each Holder hereby acknowledges the reasonableness of the prohibition contained in this Article X in view of the purposes of the Company and the relationship of the Holders. The Transfer of any Membership Interest in violation of the prohibition contained in this Article X shall be deemed invalid, null and void, and of no force or effect. Any Person to whom a Membership Interest is to be transferred in violation of this Article X shall not be entitled to vote on matters coming before the Members, participate in the management of the Company, act as an agent of the Company, receive distributions from the Company or have any other rights in or with respect to such Membership Interest.

10.5 **Distributions and Allocations in Respect to Transferred Membership Interests.** If any Membership Interest is sold, assigned, or transferred during any accounting period in accordance with this Article X, allocations pursuant to Article IX attributable to the transferred Membership Interest for such period shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during the period in accordance with Section 706(d) of the Code, using any conventions permitted by law and selected by the Manager. All distribution on or before the date of such Transfer shall be made to the transferor, and all distributions thereafter shall be made to the transferee. Neither the Company nor the Manager shall incur any liability for making allocations and distributions in accordance with the provisions of this Section 10.5, whether or not the Manager or the Company has knowledge of any transfer of ownership of any Membership Interest.

10.6 **No Withdrawal or Payment of Interest.** No Member shall have the right to (a) withdraw all or any part of his Capital Contribution prior to the dissolution of the Company, (b) receive any return or interest on any part of his Capital Contribution except as otherwise provided in this Operating Agreement, or (c) withdraw or resign from the Company except with the consent of the Manager or by Transfer or other disposition of all of his, her or its Membership Interest in the Company in accordance with the terms of this Operating Agreement.

ARTICLE XI ADDITIONAL MEMBERS

11.1 **General.** From the date of this Operating Agreement of the Company, and subject to any limitations imposed by Article XI hereof, any Person or Entity acceptable to the Manager may become a Member in this Company either by the issuance by the Company of Membership

Interests for such consideration as the Manager shall determine, or as a transferee of a Member's Membership Interest or any portion thereof, subject to the terms and conditions of this Operating Agreement. No new Members shall be entitled to any retroactive allocation of losses, income or expense deductions incurred by the Company. The Manager may, at its option, at the time a Member is admitted, close the Company's books (as though the Company's tax year has ended) or make pro rata allocations of loss, income and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of Code Section 706(d) and the Treasury Regulations promulgated thereunder.

11.2 **Rights of Transferees.** The transferee of a Membership Interest has no right to participate in the management of the business and affairs of the Company, including by exercising the voting rights of the transferor, or to become a Member. The transferee is only entitled to receive distributions, return of capital, and to receive allocations pursuant to Article IX attributable to the assigned Membership Interest.

11.3 **Admission of Substitute Members.** A transferee of a Membership Interest shall be admitted as a Substitute Member and admitted to all of the rights of the Member who initially assigned the Membership Interest only with the prior written approval of the Manager. The Manager may grant or withhold the approval of such admission for any reason in his, her or its sole and absolute discretion. If so admitted, the Substitute Member shall have all the rights and powers and shall be subject to all the restrictions and liabilities of the Member originally transferring the Membership Interest. The admission of a Substitute Member, without other affirmative or express actions shall not release the Member originally assigning the Membership Interest from any liability to the Company that may have existed prior to the approval.

11.4 **Bound by this Agreement.**

(a) A transferee of a Membership Interest, a Substitute Member or an Additional Member shall be bound by this Agreement, as amended from time to time, and shall be deemed to have assented to the terms and conditions of this Agreement and to have agreed to be bound hereby, upon the first to occur of the following events:

(b) The transferee (or transferee's representative):

(i) tenders payment for the Membership Interest;

(ii) accepts a distribution made by the Company, as evidenced for example, and not by way of limitation, by endorsement of a check representing all or any part of any such distribution;

(iii) executes any writing evidencing the transferee's intent to become a transferee of the Company or assents to this Operating Agreement; or

(iv) complies with the conditions necessary to become a transferee, as set forth in this Article XI and either (a) requests that the records of the Company reflect such assignment, or (b) pays valuable consideration for a Membership Interest in the Company.

ARTICLE XII INDEMNIFICATION

12.1 **Good Faith Acts and Indemnification.** To the fullest extent permitted by applicable law, but subject to the provisions of the Certificate:

(a) The Manager (including its employees, officers, shareholders, directors and agents if a Manager is an Entity), employees, officers and agents of the Company shall not be liable, responsible or accountable in damages or otherwise to the Company, or to any of the Holders, for any act or omission performed or omitted by them in good faith on behalf of the Company and in a manner reasonably believed by them to be within the scope of their authority and in the best interests of the Company.

(b) The Company, its receiver or its trustee, shall defend, indemnify and hold harmless the Manager (including its officers, directors, shareholders and agents), employees, officers and agents of the Company from and against any and all loss, cost, damage, claim, expense or liability (other than a loss by the Manager, employee, officer or agent of any equity contributions, loans or other investments in the Company), which relate to or arise out of the Company or the Company's business affairs, regardless of whether the Manager, employees, officers or agents are or continue to be Members, Holders, the Manager, or an agent, officer, member, director, stockholder or employee of a Member at the time any such liability or expense is paid or incurred, or claim asserted, if such person's conduct did not constitute Willful Misconduct and such person's conduct was not outside the scope of their authority.

(c) The Company shall indemnify any Person who was or is a party, or is threatened to be made a party to any threatened pending or completed action, suit or Proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that the Person is or was a Member, Manager, officer, employee or agent of the Company, or who is or was serving at the request of the Company as a director, member, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Person in connection with the action, suit or Proceeding, if the Person acted in good faith and in a manner the Person reasonably believed to be in, or not opposed to the best interests of the Company and, with respect to any criminal action or Proceeding, had no reasonable cause to believe the Person's conduct was unlawful. The termination of any action, suit or Proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent shall not, of itself, create a presumption that the Person did not act in good faith and in a manner that the Person reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal action or Proceeding, that the Person had reasonable cause to believe that the Person's conduct was unlawful.

(d) The Company may indemnify any Person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action or suit, by or in the right of the Company to procure a judgment in its favor by reason of the fact that the Person is or was a Member, Manager, officer, employee or agent of the Company, or is or was serving at the

request of the Company as a director, member, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the Person in connection with the defense or settlement of the action or suit, if the Person acted in good faith and in a manner the Person reasonably believed to be in, or not opposed to the best interests of the Company, provided that no indemnification shall be made in respect of any claim, issue or matter as to which the Person shall have been adjudged to be liable for Willful Misconduct in the performance of the Person's duty to the Company, unless, and only to the extent that, the court in which the action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, the Person is fairly and reasonably entitled to indemnity for those expenses as the court shall deem proper.

(e) Any indemnification under Section 12.1(b), (c) or (d) (unless ordered by a court) shall be made by the Company only as authorized in the specific case, upon a determination that indemnification of the Manager, Member, officer, employee or agent is proper in the circumstances because the Person has met the applicable standard of conduct set forth in subsection (b), (c) or (d). The determination shall be made (i) by the Manager until the Manager's removal; and (ii) thereafter by (A) the holders of a majority of the Membership Interests, or (B) if disinterested Members so direct, by independent legal counsel in a written opinion.

(f) For purposes of this Section 12.1, references to "other enterprises shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a Person with respect to an employee benefit plan, and references to "serving at the request of the Company" shall include any service as a Manager, Member, officer, employee or agent of the Company that imposes duties on, or involves services, by a Manager, Member, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries. A Person who acted in good faith and in a manner the Person reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interest of the Company" as referred to in this Section 12.1.

(g) The Manager shall defend, indemnify, and hold harmless the Company and the Members from any liability, loss, damage, fees, costs, and expenses incurred by reason of any demands, claims, suits, actions or proceedings arising out of any material breach of the duties and obligations, representations, warranties and covenants of the Manager set forth in this Operating Agreement, including all legal fees and costs incurred in defending any claim or liability or protecting itself or the Company from, or lessening the effect of, any such breach.

12.2 **Expenses.** Expenses (including attorneys' fees) incurred by any Member, Manager, employee, officer or agent in defending a civil or criminal action, suit or Proceeding shall be paid by the Company in advance of the final disposition of the action, suit or Proceeding, provided, however, that such Member, Manager, employee, officer or agent must agree to repay such amount, in the event that such person's actions constitute Willful Misconduct.

12.3 **Other Rights.** The indemnification and advancement of expenses provided by or granted pursuant to this Article XII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Certificate or this Operating Agreement,

or any other agreement, or vote of Members or otherwise, both as to action in the Person's official capacity and as to action in another capacity while holding office, and shall continue as to a Person who has ceased to be a Member, Manager, employee, officer or agent, and shall inure to the benefit of the heirs, executors and administrators of the Person.

12.4 **Insurance.** The Company may purchase and maintain insurance on behalf of any Person who is or was a Member, Manager or an officer, employee or agent of the Company, or who is or was serving at the request of the Company as a director, officer, partner, venturer, trustee, Manager, member of the Manager, employee or agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against the Person and incurred by the Person in any capacity, or arising out of the Person's status as such, whether or not the Company would have the power to indemnify the Person against the liability under the provisions of this Article XII.

12.5 **Report.** If the Company has paid indemnity or has advanced expenses to a Member, Manager, officer, employee or agent, the Company shall report the indemnification or advance in writing to the Members with or before the notice of the next Members' meeting.

12.6 **Broader Indemnification.** Notwithstanding any provision in this Article XII to the contrary, in the event the Act is either amended to provide, or interpreted by judicial or other binding legal decisions to provide, broader indemnification rights than those contained herein, such broader indemnification rights shall, upon the effective date of any amendment of the Act or final determination by judicial or other binding legal decision, be provided to any Persons entitled to be indemnified pursuant to the Act, the intent of this provision being to require the Company to indemnify, to the full extent permitted by the Act, Persons whom it may indemnify thereunder.

12.7 **Discharge of Duties.** In discharging the duties of their respective positions, the Manager and Members, in considering the best long term and short term interests of the Company, may consider the effects of any action (including without limitation, action that may involve or relate to a change or potential change in control of the Company) upon employees, suppliers and customers, of the Company or its subsidiaries, communities in which offices or other establishments of the Company or its subsidiaries are located, and all other pertinent factors.

ARTICLE XIII DISSOLUTION AND TERMINATION

13.1 **Dissolution.** Subject to the provisions of the Certificate, the Company shall be dissolved upon the occurrence of any of the following events:

- (a) The decision of the Manager to dissolve the Company;
- (b) The sale or other disposition of all, or substantially all, of the assets of the Company and the collection of all amounts derived from such sale or other disposition (including all amounts payable to the Company under any promissory notes or other evidence of indebtedness taken by the Company in connection with such sale or other disposition, unless the Manager elects to distribute such evidence of indebtedness to the Member in-kind); or

(c) Any other event that, under the Act, would cause the dissolution of the Company or make it unlawful for the business of the Company to be continued.

13.2 **Winding Up, Liquidation and Distribution of Assets.**

(a) Upon dissolution, an accounting shall be made by the Company's independent accountants of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Manager shall immediately proceed to wind up the affairs of the Company.

(b) If the Company is dissolved and its affairs are to be wound up, the Manager shall:

(i) Sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Manager may determine to distribute any assets to the Holders in kind);

(ii) Allocate any profit or loss resulting from such sales to the Holders' Capital Accounts in accordance with the provisions hereof;

(iii) Discharge all liabilities of the Company, including liabilities to Members who are creditors, to the extent otherwise permitted by law, and establish such Reserves as may be reasonably necessary to provide for contingent liabilities of the Company (for purposes of determining the Capital Accounts of the Holders, the amounts of such Reserves shall be deemed to be an expense of the Company); and

(iv) Distribute any remaining assets in accordance with Section 9.3 either in cash or in kind, as determined by the Manager, with any assets distributed in kind being valued for this purpose at their fair market value. Any such distributions to the Members shall be made in accordance with the time requirements set forth in Section 1.704-1(b)(2)(ii)(b)(2) of the Treasury Regulations.

(c) Notwithstanding anything to the contrary in this Operating Agreement, no Holder shall have any obligation to restore a Deficit Capital Account, and any negative balance of a Holder's Capital Account shall not be considered a debt owed by such Member to the Company or to any other Person for any purpose whatsoever.

(d) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

(e) The Holders shall comply with all requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

13.3 **Certificate of Dissolution.** When all debts, liabilities and obligations of the Company have been paid and discharged or adequate provisions have been made therefore and all of the remaining property and assets of the Company have been distributed, Certificate of

Dissolution as required by the Act, shall be executed in duplicate and filed by the Manager with the Delaware Secretary of State.

13.4 **Effect of Filing Certificate of Dissolution.** Upon the filing of Certificate of Dissolution with the Delaware Secretary of State, the existence of the Company shall cease, except for the purpose of suits, other proceedings and appropriate action as provided in the Act. The Members shall have authority to distribute any Company property discovered after dissolution, convey real estate and take such other action as may be necessary on behalf of and in the name of the Company.

13.5 **Return of Contribution Nonrecourse to Other Members.** Except as provided by law or as expressly provided in this Operating Agreement, upon dissolution, each Holder shall look solely to the assets of the Company for the return of its Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the cash contribution of one or more Holders, such Holder or Holders shall have no recourse against the Manager or any Member, except as otherwise provided by law.

ARTICLE XIV MEMBER REPRESENTATIONS AND ACKNOWLEDGEMENTS

14.1 **Representations and Warranties.** THE MEMBERSHIP INTERESTS INVOLVE A HIGH DEGREE OF RISK AND ARE SUITABLE ONLY FOR INVESTORS OF SUBSTANTIAL MEANS WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENT. THE MEMBERSHIP INTERESTS SHOULD NOT BE PURCHASED BY ANY PERSON THAT CANNOT AFFORD THE LOSS OF ITS ENTIRE INVESTMENT. Each Member represents and warrants to the Company and the other Members that:

(a) The Member is a resident of the state set forth in the address listed opposite his, her or its name on the signature page of this Operating Agreement, which in the case of an individual, is the state in which such individual maintains a domicile and is not a temporary or transient resident;

(b) The Member is acquiring the Member's Membership Interest for the Member's own account as principal for investment and not with a view to resale or distribution of all or any part thereof and without any present intention of selling or otherwise distributing the same at any particular time or upon the occurrence or non-occurrence of some predetermined event;

(c) The Member is able to bear the economic risk of this investment, including loss of the Member's entire investment and has sufficient knowledge and experience in financial and business matters that the Member is capable alone of evaluating the merits and risks of this investment;

(d) The Member has reviewed and has been furnished all information the Member considers necessary to enable the Member to properly evaluate the merits and risks of

this investment, and has been given the opportunity to ask questions of and receive answers from the Manager concerning this investment;

(e) The Member recognizes that this investment and investments in real estate ventures in general involve certain risks and has taken full cognizance of and understands such risks;

(f) The Member understands that there is presently no market for the securities, and that no assurances can be given that there will ever be a market for the securities. He, she or it further acknowledges that the value of the securities is speculative and that the Company makes no representations regarding the present or future value of the securities;

(g) The Member acknowledges that the offering has not been reviewed by the Securities and Exchange Commission ("SEC") because the offering is an exempt offering pursuant to section 4(a)(2) and/or 3(b) of the 1933 Act, and that disposition of the securities is restricted pursuant to provisions of the 1933 Act and the other Securities Acts.

(h) The Member understands that the Member must bear the economic risk of this investment for an indefinite period of time because, among other reasons, the Membership Interests have not been registered under the Securities Act of 1933, as amended (the "**1933 Act**"), and therefore cannot be sold or otherwise disposed of unless they are subsequently so registered or he, she or it obtains an opinion of counsel (satisfactory in form and substance to the Manager) that an exemption from such registration is available, that the Company will not honor any attempt by the Member to sell or otherwise dispose of his Membership Interest in the absence of such a registration or such an opinion of counsel, and that neither the Company nor any other Member is under any obligation to register the Membership Interests and has not represented that at some future date an attempt will be made to register the Membership Interests; and

(i) The Member is an "Accredited Investor," as that term is defined in the 1933 Act and Rule 501 of Regulation D promulgated therein, as amended by Section 413(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and understands the definition of "Accredited Investor" or has sought advice regarding such definition.

14.2 Individual Arrangements on Certain Terms. The Members acknowledge that the Manager may enter into individual arrangements with certain Members on the basis of their pre-existing relationship to the Manager or other key factors deemed significant to the Manager, which arrangements have the principal effect of diluting the interests (including the waiver or reduction of economic benefits) or powers of the Manager, or any affiliate of the Manager. Notwithstanding any other provision of this Operating Agreement, Manager shall not be required to notify any Member or group of Members of any such arrangements or any of the rights or terms or provisions thereof, and will not be required to offer such additional or different rights or terms to all Members.

**ARTICLE XV
MISCELLANEOUS PROVISIONS**

15.1 **Notices.** Any notice, demand, or communication required or permitted to be given by any provision of this Operating Agreement shall be deemed to have been sufficiently given or served for all purposes if: (a) either by actual delivery of the notice into the hands of the parties thereunto entitled; (b) or by the mailing of the notice in the U.S. mail, certified mail, return receipt requested; or (c) sent by nationally recognized, overnight delivery service, addressed to the Member's and/or Company's address, as appropriate, which is set forth in this Operating Agreement. The notice shall be deemed to be received in case (a) on the date of its actual receipt by the party entitled thereto in case (b) on the second business date following its mailing or deposit with the U.S. Mail, and in case (c) on the day following the date of deposit with such delivery service. The failure or refusal of any party to accept any notice given pursuant to this paragraph shall be conclusively deemed receipt thereof and knowledge of its contents.

15.2 **Governing Law.** This Operating Agreement and its interpretation shall be governed exclusively by its terms and by the laws of the State of Delaware, and specifically the Act.

15.3 **Waiver of Action for Partition.** Each Member irrevocably waives during the term of the Company any right that it may have to maintain any action for the partition with respect to the property of the Company.

15.4 **Execution of Additional Instruments.** Each Member hereby agrees to execute such other and further statements of interest and holdings, designations and other instruments necessary to comply with any laws, rules or regulations. Specifically, each Member agrees to sign a Counterpart Signature Page. Further, this Operating Agreement may be executed by the Manager as the attorney-in-fact pursuant to a power of attorney granted to the Manager by certain Members.

15.5 **Construction.** Whenever the singular number is used in this Operating Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

15.6 **Headings.** The headings in this Operating Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

15.7 **Waivers.** The failure of any party to seek redress for default of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a default, from having the effect of an original default.

15.8 **Rights and Remedies Cumulative.** The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any other remedy. These rights and remedies are given in addition to any other legal rights the parties may have.

15.9 **Severability.** If any provision of this Operating Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

15.10 **Heirs, Successors and Assigns.** Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

15.11 **Counterparts; Electronic Signatures.** This Operating Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. This Operating Agreement may be executed and delivered by electronic means and such execution will be deemed an original. The Manager may execute this Operating Agreement on behalf of one or more Members pursuant to the power of attorney granted to the Manager by such Members in each of their Subscription Agreements.

15.12 **Power of Attorney.**

(a) By execution of its Subscription Agreement, each Member irrevocably constitutes and appoints the Manager, as its true and lawful attorneys in its name, place and stead, to make any amendment to this Operating Agreement specifically provided for herein, to make, execute, acknowledge and file any certificate or other instrument which may be required to be filed by the Company under the laws of State of Delaware or any other states and any and all other instruments as may be deemed necessary or desirable by the Manager to carry out fully the provisions of this Operating Agreement in accordance with its terms. Further, this Operating Agreement may be executed by the Manager as the attorney-in-fact pursuant to a power of attorney granted to the Manager by certain Members as set forth in the Subscription Agreement.

(b) It is expressly intended by each of the Members that the foregoing power of attorney is coupled with an interest. The foregoing power of attorney shall survive the delivery of an assignment by any of the Members of the whole or any portion of its Interests, except that where an assignee of such Interests has been approved by the Manager as a substituted Member, then the foregoing power of attorney of the assignor Member shall survive the delivery of such assignment for the sole purpose of enabling the Manager to execute, acknowledge and file any and all instruments necessary to effectuate such substitution. A similar power of attorney shall be one of the instruments that the Manager shall require an assignee of a Member to execute as a condition of his admission as a substituted Member.

15.13 **Entire Agreement.** This Operating Agreement supersedes all agreements previously made between the parties relating to its subject matter, with the exception of the Subscription Agreement which contains additional agreements, representations, warranties and covenants of the Company, the Manager and/or each Member, as applicable. There are no other understandings or agreements between the parties. This Operating Agreement contains the entire agreement of the parties, and may not be changed orally but only by an agreement in writing executed in accordance with Section 5.2.

15.14 **Incorporation of Exhibits, Annexes, and Schedules.** The Exhibits, Annexes, and Schedules identified in this Operating Agreement are incorporated herein by reference and made a part hereof.

15.15 **Specific Performance.** The parties recognize that irreparable injury will result from a breach of any provision of this Operating Agreement and that money damages will be inadequate to fully remedy the injury. Accordingly, in the event of a breach or threatened breach of one or more of the provisions of this Operating Agreement, any Member who may be injured shall be entitled to an order restraining or compelling compliance with such provisions.

15.16 **No Third Party Beneficiary.** Nothing contained in this Operating Agreement is intended to, or shall be deemed to, benefit or create any rights or remedies in favor of any third party, including, without limitation, any creditor of the Company. None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditors of the Company.

15.17 **Corporate Transparency Act.** The Company will comply with its obligations under the Corporate Transparency Act of 2020 (as amended, the "CTA") and with the regulations (the "CTA Regulations") promulgated by the Financial Crimes Enforcement Network ("FinCEN") thereunder. Accordingly:

(a) **Compliance Officer.** The Manager will appoint an individual to serve as the CTA compliance officer (the "**Compliance Officer**") with respect to the Company's duties under the CTA. The Compliance Officer shall take any steps reasonably necessary or convenient to cause the Company to perform its obligations under the CTA and the CTA Regulations, including, without limitation, by causing the Company to file any beneficial ownership information report and certification that may be required thereunder.

(b) **Reports.** The Compliance Officer will provide written reports to the Managing Member from time to time regarding the Company's compliance with the CTA, but no less than once per year.

(c) **CTA Data.** Except as provided in Section 15.17(d) below, each Person who (i) owns, directly or indirectly, at least 25% of the aggregate "ownership interests" (as defined in the CTA (or CTA Regulations)), but generally includes all Persons owning, directly or indirectly, at least 25% of the aggregate Membership Interests in the Company, and/or (ii) exercises "substantial control" (as defined in the CTA (or CTA Regulations) and as described in Section 15.17(e)) over the Company (any Person described in clause (i) or (ii), a "**Reporting Person**"), will provide to the Compliance Officer such Person's: (A) full legal name, (B) date of birth, (C) current residential street address, (D) current business street address, and (E) a unique identifying number from one of the following documents: (1) a non-expired passport issued by the United States Government, (2) a non-expired identification document issued to the individual by a State, local government, or Indian tribe for the purpose of identifying the individual, (3) a non-expired driver's license issued to the individual by a State, or (4) A non-expired passport issued by a foreign government to the individual, if the individual does not possess any of the documents described in paragraph (1), (2) or (3), and (F) an image of the document from which the unique identifying number in subclause (E) obtained which includes

both the unique identifying number and photograph of the individual in sufficient quality to be legible or recognizable. The information described in this Section 15.17(c) is hereinafter referred to as a Person's "**CTA Data**".

(d) Indirect Ownership. With respect to any Reporting Person that is not a natural person, such Reporting Person shall provide CTA Data for each natural person (as applicable, an "**Indirect Owner**") who owns, indirectly or beneficially, at least 25% of the aggregate "ownership interests" (as defined in the CTA or CTA Regulations) in the Company, through such Reporting Person.

(e) Substantial Control Data. Each Member will also provide to the Compliance Officer any information or documents that may be required to determine whether such Member or any Indirect Owner has "substantial control" over the Company including, without limitation, by (i) serving as a senior officer of the Company, (ii) having authority, directly or indirectly, over the appointment or removal of any senior officer or a majority or dominant minority of the board of directors (or similar body) of the Company, (iii) having any (direct or indirect) direction, determination, or decision power over, or substantial influence over, important matters affecting the Company, including but not limited to: (A) the nature, scope, and attributes of the business of the Company, including the sale, lease, mortgage, or other transfer of any principal assets of the Company; (B) the reorganization, dissolution, or merger of the Company; (C) major expenditures or investments, issuances of any equity, incurrence of any significant debt, or approval of the operating budget of the Company; (D) the selection or termination of business lines or ventures, or geographic focus, of the Company; (E) compensation schemes and incentive programs for senior officers of the Company; (F) the entry into or termination, or the fulfillment or non-fulfillment of significant contracts of the Company; (G) amendments of any substantial governance documents of the Company, including the certificate of organization or similar formation documents, this Operating Agreement, and significant policies or procedures of the Company; and (H) any other form of direct or indirect substantial control over the Company. Information and documents provided by any Person for purposes of this Section 15.17(e) is hereinafter referred to as "**Substantial Control Data**."

(f) Company Applicant. The Compliance Officer will collect CTA Data and Substantial Control Data from each individual who is a "company applicant" with respect to the Company, as such term is defined in the CTA Regulations.

(g) FinCEN Identifier. In lieu of providing its CTA Data to the Compliance Officer, a Reporting Person (including an Indirect Owner) may provide its unique identifying number assigned by FinCEN to such Reporting Person (the "**FinCEN ID**") to the Compliance Officer so long as (i) the CTA Data associated with such FinCEN ID is both current and accurate, and (ii) the Compliance Officer has consented to receiving such Reporting Person's FinCEN ID (such consent not to be unreasonably withheld).

(h) Safeguarding CTA Data. The Compliance Officer will safeguard the CTA Data and Substantial Control Data collected from Reporting Persons and any other Persons in

accordance with this Section 15.17 through such methods and systems as the Compliance Officer and the Manager may determine.

(i) **Additional Obligations; Indemnification.** Each Reporting Person and each Member providing Substantial Control Data will indemnify and defend the Company against any third-party claim, loss or expense incurred by the Company as a result of (i) any inaccuracy in any CTA Data or Substantial Control Data provided by such Person, or (ii) any failure of such Person to timely provide amended CTA Data or Substantial Control Data to the Compliance Officer. Each Person who owns an interest in the Company shall provide to the Company such information (including information about its beneficial owners) as the Manager or Compliance Officer may reasonably request to comply with the requirements of the CTA (and CTA Regulations), and shall update in writing to the Manager and Compliance Officer any information provided to the Manager or Compliance Officer no less than five (5) days after any change occurs.

15.19 **Arbitration.** Any dispute, controversy or claim arising out of or in connection with, or relating to, this Operating Agreement, the Subscription Agreement, or any breach or alleged breach thereof shall, upon the request of any party involved, be submitted to, and settled by, arbitration in the City of Chicago, State of Illinois, pursuant to the commercial arbitration rules then in effect of the American Arbitration Association (or at any time or at any other place or under any other form of arbitration mutually acceptable to the parties so involved). Any award rendered shall be final and conclusive upon the parties and a judgment thereon may be entered in the highest court of the forum, state or federal, having jurisdiction. The expenses of the arbitration shall be borne equally by the parties to the arbitration, provided that each party shall pay for and bear the cost of its own experts, evidence and counsel's fees, except that in the discretion of the arbitrator, any award may include the cost of a party's counsel if the arbitrator expressly determines that the party against whom such award is entered has caused the dispute, controversy or claim to be submitted to arbitration as a dilatory tactic.

15.20 **Time.** TIME IS OF THE ESSENCE OF THIS AGREEMENT, AND TO ANY PAYMENTS, ALLOCATIONS AND DISTRIBUTIONS PROVIDED FOR UNDER THIS AGREEMENT.

15.21 **Counsel to the Company.** Morris, Manning & Martin, LLP has been selected by the Manager to serve as legal counsel to the Company (in such capacity, "**Company Counsel**"). Each Member acknowledges that Company Counsel does not represent any Member in the absence of a clear and explicit agreement to such effect between the Member and Company Counsel, and that in the absence of any such agreement Company Counsel shall owe no duties directly to a Member. The Members further agree that none of this Operating Agreement, the transactions and Company operations contemplated hereby, or Company Counsel's representation of the Company (whether now or in the future) shall be deemed or is intended to create an attorney/client or other relationship between Company Counsel and any Member. Nothing in this Section 15.20 shall be deemed to create a right under this Operating Agreement on the part of any Member to approve the Manager's selection of legal counsel to the Company. Each Member represents and warrants

that it has the level of knowledge and sophistication (either alone or with the assistance of its own counsel) necessary to provide its informed consent to the provisions of this Section 15.20 without additional guidance or information from Company Counsel, the Manager or the Company.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused the signatures of their duly authorized officers, to be set forth below as of the day and year first above written.

MANAGER:

30 East Adams Manager LLC, an Illinois limited liability company

By: _____
Name: Alex Samoylovich
Title: Manager

By: _____
Name: William Murphy
Title: Manager

By: _____
Name: Mark Heffron
Title: Manager

Address: c/o Cedar Street Companies
151 W. Huron St.
Chicago, IL 60654

SIGNATURE PAGE TO THE OPERATING AGREEMENT
OF
CEDAR ADAMS SHAREHOLDER LLC

By signing below, the undersigned hereby (i) executes the limited liability company agreement of Cedar Adams Shareholder LLC (the "**Operating Agreement**"); (ii) authorizes the Manager of Cedar Adams Shareholder LLC (the "**Company**"), to affix this signature page to the Operating Agreement to form a part thereof; (iii) agrees to become a Member of the Company; (iv) agrees to be fully bound by the Operating Agreement; and (v) swears that the statements made by the undersigned and set forth in the Agreement including, but not limited to, the representations and warranties set forth in Article XIV thereof, are true and correct.

Member's Name, Taxpayer Identification Number and Address Signature

Printed Name: _____

Taxpayer Identification Number: _____

Mailing Address and Facsimile Number:

EMAIL: _____

Authorized Representative (for Members that are entities)

 Printed Name

Mailing Address and Facsimile Number:

EMAIL: _____

 Member

Percentage Interest: _____%

Initial Capital Contribution \$ _____

Additional Capital Contribution \$ _____

Membership Interests _____

Accepted by:
 30 East Adams Manager LLC

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT A
MEMBERSHIP INTERESTS

Investor Name	Capital Contribution	Percentage Interest
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Total Capital Contributions		
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EXHIBIT B

ASSIGNMENT OF MEMBERSHIP INTEREST

The undersigned, _____ ("Assignor"), hereby assigns and transfers all of its right, title and interest as a Member of _____ LLC, a _____ limited liability company (the "**Company**"), said interest representing a _____ percent (___%) membership interest in the Company (the "**Interest**"), to _____ ("**Assignee**") in consideration of the payment by Assignee to Assignor of the sum of _____ Dollars (\$_____). Assignor directs that all future distributions and payments on account of the Interest hereby assigned be paid to Assignee and that Assignee become a substituted Member of the Company with respect to the Interest.

ASSIGNOR:

Dated: _____

By: _____
Authorized Signatory

ACCEPTANCE OF ASSIGNMENT

Assignee hereby accepts the Interest hereby assigned and agrees to be bound by all of the terms and provisions of the Operating Agreement of the Company dated as of _____, as the same may be amended from time to time.

ASSIGNEE:

Dated: _____

By: _____
Authorized Signatory

CONSENT TO ASSIGNMENT

The undersigned, as Manager of the Company, hereby consents to the assignment of the Interest from Assignor to Assignee.

Dated: _____

By: _____

This document may be signed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same document.

APPENDIX B

Subscription Documents

[See attached.]

SUBSCRIPTION MATERIALS

OF

CEDAR ADAMS SHAREHOLDER LLC

If the prospective investor does not wish to subscribe for membership interests (the “*Interests*”) in Cedar Adams Shareholder LLC, a Delaware limited liability company (the “*Company*”), or if the prospective investor’s subscription is rejected, please return the Limited Liability Company Agreement and these Subscription Materials (collectively, the “*Company Documents*”) to 30 East Adams Manager LLC, an Illinois limited liability company. The Company Documents may not be redistributed or reproduced in whole or in part.

Subscription Materials
of
Cedar Adams Shareholder LLC

Instructions

Set forth below are a list of the items required to complete the purchase of Membership Interests (the “*Interests*”) in Cedar Adams Shareholder LLC, a Delaware limited liability company (the “*Company*”), together with instructions for completion. The purchaser of the Interests is referred to herein as the “*Purchaser*.”

A. Privacy Policy and Consent to Electronic Delivery

Please review the Company’s privacy policy below beginning on Page 3. Additionally, and to the extent you would like your Schedule K-1 delivered electronically, please sign the “Consent to Electronic Delivery of Schedule K-1,” attached hereto.

B. Subscription Agreement

The Subscription Agreement includes a copy of the signature page thereto. Please review the Subscription Agreement and complete and sign the copy of the signature page, and return it as instructed below.

C. Signature Page to the Limited Liability Company Agreement.

Included with these materials is a copy of the signature page to the Limited Liability Company Agreement of the Company (the “*Operating Agreement*”) for Members. The Purchaser must execute and return the copy in accordance with the instructions below indicating Purchaser’s agreement to be bound to the terms of the Operating Agreement.

D. Capital Contribution

Simultaneously with the closing in which the Purchaser’s investment in the Company is accepted by 30 East Adams Manager LLC, an Illinois limited liability company (the “*Manager*”), the Purchaser shall be required to contribute the Purchaser’s total commitment to the Company, in accordance with the terms of the Operating Agreement.

All capital contributions shall be made either by wire transfer, except to the extent not otherwise permitted pursuant to applicable laws and regulations, as determined by the Manager. Wire transfers should be sent according to the instructions provided below:

Bank Name: Associated Bank, N.A.

Routing, Transit, ABA: 075 900 575

Bank Address:

Account No. 2917410173

**525 W. Monroe Street, Suite 2400
Chicago, Illinois 60661**

Account Name: Cedar Adams Shareholder LLC

E. Delivery of Documents

Completed and signed Subscription Materials, including (i) a fully completed and validly executed signature page to the Subscription Agreement, (ii) a fully completed and validly executed Signature Page to the Operating Agreement, (iii) if applicable, a fully completed and validly executed purchaser representative certification, (iv) an IRS Form W-9 from U.S. purchasers, and (v) a photocopy of a currently valid government issued identification, such as a passport or driver's license, are to be delivered to the Manager at the following address:

Cedar Adams Shareholder LLC
c/o 30 East Adams Manager LLC
151 W. Huron St.
Chicago, IL 60654
Attn: Alex Samoylovich

PRIVACY POLICY

Cedar Adams Shareholder LLC (the “Company”)

The Company takes precautions to maintain the privacy of personal information concerning the Company’s current and prospective individual Purchasers. These precautions include the adoption of certain procedures designed to maintain and secure each Purchaser’s nonpublic personal information from inappropriate disclosure to third parties. Federal regulations require the Company to inform Purchasers of this privacy policy.

The Company collects non-public personal information about Purchasers from the following sources:

- Information the Company receives from Purchasers (e.g. subscription agreements, applications, registration forms, or other forms), such as Purchasers’ names, addresses, telephone numbers, social security numbers, e-mail addresses, income, assets, and employment histories;
- Information received from credit bureaus;
- Information obtained to verify what Purchasers have told us; and
- Information about transactions and experiences with the Company, its affiliates or others.

The Company does not disclose any non-public personal information about its Purchasers to anyone, other than to the Company’s affiliates, employees and agents, and except as permitted or required by law or by the Company’s Operating Agreement, including the disclosure of such information to third party lenders under credit facilities of the Company or its direct and indirect subsidiaries.

Except as described in the previous paragraph, the Company restricts access to non-public personal information about Purchasers to those of its affiliates, employees and agents who need to know the information to enable the Company to provide services to its Purchasers.

The Company maintains physical, electronic and procedural safeguards that comply with federal standards to guard Purchasers’ non-public personal information.

This Privacy Policy notice is intended to serve as a statement of the Company’s privacy policy as required by law, including Title V of the Gramm-Leach-Bliley Act, and is not meant to contradict nor circumvent any of the provisions of the Operating Agreement, which provisions shall be controlling as to the matters described herein.

These policies apply to individuals only and are subject to change.

SUBSCRIPTION AGREEMENT

To: Cedar Adams Shareholder LLC

1. Subscription. The undersigned (the “*Purchaser*”) hereby subscribes for and agrees to purchase Membership Interests (“*Interests*”) in Cedar Adams Shareholder LLC, a Delaware limited liability company (the “*Company*”). The Interests for which the Purchaser hereby subscribes and that Purchaser agrees to purchase are set forth on the signature page. All capitalized terms used but not defined in this Subscription Agreement shall have the meanings set forth in the Operating Agreement of the Company, as it may be amended from time to time (the “*Operating Agreement*”).

2. Other Subscription Agreements. The Purchaser acknowledges that the Company has entered into or expects to enter into separate subscription agreements (the “*Other Subscription Agreements*”) with other purchasers (“*Other Purchasers*”), providing for the sale to Other Purchasers of Interests in the Company and the admission of the Other Purchasers as Members of the Company. This Subscription Agreement and the Other Subscription Agreements are separate agreements, and the sales of Interests to the Purchaser and the sales of Interests to Other Subscribers are separate sales.

3. Payment. The Purchaser will pay its entire subscription amount at the time of admittance into the Company as a Member pursuant to the terms of the Operating Agreement. The Purchaser agrees to pay the purchase price of the Interests upon the demand of the Manager as provided in the Operating Agreement.

4. Securities Laws. By executing this Subscription Agreement, the Purchaser further represents and warrants:

(a) that he, she or it has received, carefully read and understands the Operating Agreement, this Subscription Agreement and all exhibits thereto, has based a decision to invest on the information contained in the Operating Agreement and is not relying on any other offering literature, prospectus or oral representation;

(b) that the Company has made available to him, her or it and his, her or its advisors and purchaser representatives, if any, the opportunity to ask questions of, and receive answers from, the Company concerning the terms and conditions of the offering and to obtain any additional information, to the extent that the Company possesses such information, or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information given to him, her, it or them or otherwise make an informed investment decision and that he, she or it believes that he, she or it has received all the information he, she or it considers necessary or appropriate for deciding whether to purchase the Interests;

(c) that he, she or it has had an opportunity to consult with counsel and other advisers about an investment in the Interests and that all material documents, records and books pertaining to this investment have, on request, been made available to him, her or it and his, her or its advisers;

(d) that he, she or it is an “accredited investor” within the meaning of Section 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the “*Securities Act*”), as set forth on Exhibit A to this Subscription Agreement;

(e) that he, she or it is acquiring the Interests for his, her or its own account as principal for investment and not with a view toward resale or distribution thereof, that he, she or it has no present intention of selling, granting any participation in or otherwise distributing the Interests and that he, she or it does not have any contract, undertaking, agreement or arrangement with any person or entity to sell, transfer or grant participation to such person or entity or to any third party, with respect to the Interests;

(f) that he, she or it has, together with his, her or its purchaser representative, if any, such knowledge and experience in financial and business matters that he, she, it or they are capable of evaluating the merits and risks of the investment in the Interests;

(g) that he, she or it understands that the Interests have not been registered under the Securities Act, or the securities laws of any state and, as a result thereof, are subject to substantial restrictions on transfer and understands that (i) the Company has no obligation or intention to register the Interests for resale under any federal or state securities laws, or to take any action (including the filing of reports or the publication of information required by Rule 144 under the Securities Act) which would make available any exemption from the registration requirements of such laws, and (ii) therefore, the Purchaser may be precluded from selling or otherwise transferring or disposing of the Interests or any portion thereof and may have to bear the economic risk of investment in the Interests for the term of the Company;

(h) that he, she or it understands that no federal or state agency has approved or disapproved the Interests, passed upon or endorsed the merits of the offering thereof, or made any finding or determination as to the fairness of the Interests for investment;

(i) that he, she or it understands that the Interests are being offered and sold in reliance on specific exemptions from the registration requirements of federal and state securities laws and that the Company, the Manager and controlling persons thereof are relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgments and understandings set forth herein and in the Operating Agreement in order to determine the applicability of such exemptions and the suitability of the Purchaser to acquire Interests;

(j) that he, she or it is able to bear the economic risk of the investment, at the present time, can afford a complete loss of such investment, has no need for liquidity in such investment and his, her or its investments in and commitments to non-liquid investments are, and after a purchase of the Interests will be, reasonable in relation to his, her or its net worth and current needs and will maintain sufficient liquid assets to enable him, her or it to make any capital contributions to the Company as and when required by the Manager pursuant to the Operating Agreement;

(k) *(if an individual)* (a) the execution, delivery and performance by the Purchaser of this Subscription Agreement and the Operating Agreement are within such person’s legal right and power, require no action by or in respect of, or filing with, any governmental body,

agency or official, or any third party (except as disclosed in writing to the Manager as of the date that this Subscription Agreement is signed by the Purchaser), and do not and will not contravene, or constitute a default under, any provision of applicable law, rule or regulation or of any agreement, judgment, injunction, order, decree or other instrument binding upon such Purchaser or any material agreement or other instrument to which the Purchaser is a party or by which the Purchaser or any of its respective properties is bound, other than contraventions or defaults that do not impair or otherwise affect the Purchaser's ability to perform his/her obligations under this Subscription Agreement or the Operating Agreement or are not material to the Purchaser's financial condition; and (b) this Subscription Agreement and the Operating Agreement constitute the legal, valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their respective terms, subject to any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally or to general principles of equity. Neither the execution, delivery nor performance of this Subscription Agreement or the Operating Agreement by the Purchaser (including through any power of attorney), nor the consummation of the transactions contemplated hereby or thereby, will result in the creation or imposition of any lien or encumbrance upon any of the assets or properties of such Purchaser; and

(1) *(if an entity)* (a) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization; (b) the execution, delivery and performance by it of this Subscription Agreement and the Operating Agreement are within its powers, have been duly authorized by all necessary action on its behalf, require no action by or in respect of, or filing with, any governmental body, agency or official, or any third party (except as disclosed in writing to the Manager as of the date that this Subscription Agreement is signed by the Purchaser) and do not and will not contravene, or constitute a default under, (i) any provision of its certificate of incorporation, by-laws, limited liability company operating agreement, limited partnership agreement or other comparable organizational documents or (ii) any provision of applicable law, rule or regulation or of any agreement, judgment, injunction, order, decree or other instrument binding upon such Purchaser or any material agreement or other instrument to which the Purchaser is a party or by which the Purchaser or any of its respective properties is bound, or any material license, permit or franchise applicable to the Purchaser or its business, properties or rights other than such contraventions or defaults that do not impair or otherwise affect the Purchaser's ability to perform its obligations under this Subscription Agreement or the Operating Agreement or are not material to the Purchaser's financial condition; and (c) this Subscription Agreement and the Operating Agreement constitute the legal, valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their respective terms, subject to any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to creditors' rights generally or to general principles of equity. Neither the execution, delivery nor performance of this Subscription Agreement or the Operating Agreement by the Purchaser (including through any power of attorney) nor the consummation of the transactions contemplated hereby or thereby, will result in the creation or imposition of any lien or encumbrance upon any of the assets or properties of such Purchaser.

5. Binding Obligation. The Purchaser represents and warrants that he, she or it has full power and authority to enter into this Subscription Agreement and the Operating Agreement and to purchase and hold the Interests, that this Subscription Agreement and the Operating Agreement have been duly executed and delivered by him, her or it, and constitute his, her or its

valid and legally binding obligation, enforceable in accordance with its terms. The Purchaser understands that he, she or it is not entitled to cancel, terminate or revoke this subscription or any of the powers conferred herein once this Subscription Agreement has been executed by the Manager.

6. Rejection of Subscription. The Purchaser understands that the Manager shall have the right, in its sole discretion, to accept or reject this subscription, in whole or in part, at any time prior to closing, or to allocate to the Purchaser only part of the Interests for which he, she or it has subscribed. The Manager may accept or reject subscriptions in any portion as it deems fit and has no obligation to accept or reject subscriptions among the Purchaser and other purchasers' pro rata or in any other manner. The Manager will notify the Purchaser whether this subscription is accepted or rejected. In the event the subscription is rejected, the Purchaser's payment relating to the portion of the subscription which is rejected will be returned. If the Purchaser's subscription is rejected in whole, all of the Purchaser's obligations hereunder shall terminate, provided, however, that if Purchaser is already a Member of the Company, the rejection of Purchaser's subscription shall in no way eliminate or alter Purchaser's obligations under the Operating Agreement.

7. Transfers. The Purchaser agrees that it will not sell or otherwise transfer the Interests or any interest therein unless the Manager approves the transfer or sale, and the Purchaser, if requested by the Manager, assumes all costs and expenses associated with an opinion of counsel which is satisfactory to the Manager that the Interests may be transferred in reliance on an applicable exemption from the registration requirements of the Securities Act and any other applicable securities laws and the transfer (a) will not cause the Company or any entity in which the Company directly or indirectly invests to be required to register under the Investment Company Act of 1940, as amended (the "*Investment Company Act*"), or cause any such entity or the Company to lose its exemption from registration under the Investment Company Act based on the number of beneficial owners of the Interests, (b) will not cause the Company, the Manager or any of their affiliates to be in violation of any other provision of federal or state law, and (c) will not cause any adverse tax consequences to the Company.

8. Risk Factors. The Purchaser understands that an investment in the Company involves certain risks and has taken full cognizance of and understands all of the risk factors relating to the purchase of Interests. Any forecasts or predictions as to Company performance are based on estimates, assumptions and forecasts, which are based on assumptions of any arbitrary nature and may prove to be materially incorrect. No assurance is given that actual results will correspond with the results contemplated by any forecasts. The Purchaser understands that in the event the amount of funds raised in this subscription is not sufficient to fund the purposes of the Company, the Manager may cause the Company and/or its affiliates to raise funds via alternative means, including but not limited to the borrowing of indebtedness or the issuance of preferred securities.

9. Advice. The Purchaser understands that any information furnished by the Company and the Manager do not constitute investment, accounting, legal or tax advice. The Purchaser, in making this investment, is relying, if at all, solely upon the advice of his, her or its personal tax advisers with respect to the federal and/or state tax aspects of an investment in the

Company, and neither the Company nor the Manager has made any representation regarding the tax consequences of investment in the Interests.

10. Fees. The Purchaser understands that the Company will pay to the Manager or its affiliates fees for services provided as described in the Operating Agreement; that certain affiliates of the Manager may provide services to the Company and be paid fees for such services by the Company; and that under certain circumstances, the Company will indemnify the Manager and its affiliates as described in the Operating Agreement.

11. ERISA Fiduciary. If Purchaser is a governmental plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or a plan described in Section 4975(e)(1) of the Internal Revenue Code, other than a plan in which participants in such plan have the right to direct the investments that are allocated to such participants’ accounts under such plan, then the Purchaser represents and warrants that investment decisions of the Purchaser are made by a plan fiduciary, as defined in section 3(21) of ERISA.

12. Certain ERISA Matters. If the execution and delivery of this Subscription Agreement is being effected by Purchaser on behalf of (a) an “employee benefit plan” within the meaning of, and subject to the provisions of, Section 3(3) of ERISA, (b) any plan described in Section 4975(e)(1) of the Code, (c) the nominee holder of a Member’s interest in the Company, the beneficial owner of which interest is such an employee benefit plan, a plan described in clauses (a) or (b), or (d) an entity, other than a plan described in clauses (a) or (b) the underlying assets of which are treated, in whole or in part, as “plan assets” under the Plan Assets Regulation, Purchaser shall be referred to herein as an “ERISA Participant.” If Purchaser is an ERISA Participant or if Purchaser is a plan or funding its subscription hereunder with the assets of a plan, whether or not subject to ERISA (each such plan of an ERISA Participant is referred to as a “Plan”), Purchaser represents and warrants on the date hereof and on each date a capital contribution is made as follows:

(a) The decision to invest assets of a Plan in Interests was made by fiduciaries independent of the Manager and its affiliates, which fiduciaries (i) have made the decision solely in the interest of the Plan and its participants and beneficiaries, (ii) are duly authorized to make such investment decisions and (iii) have not relied on any advice or recommendation of, or ongoing monitoring of the investments by, the Manager or its affiliates;

(b) Neither the Manager nor any of its agents, representatives or affiliates have exercised any discretionary authority or control with respect to the Plan’s investment in the Interests, nor has the Manager or any of its respective agents, representative or affiliates rendered individualized investment advice within the meaning of Section 3(21)(A)(iii) of ERISA to the Plan based upon the Plan’s investment policies or strategy, overall portfolio composition or diversification;

(c) Purchaser agrees not to seek from the Manager or its agents, representatives or affiliates individualized investment advice within the framework of the Company’s investment policies or strategy, overall portfolio composition or diversification or with respect to the continued holding or disposition of Interests; and

(d) The terms of the Operating Agreement, including all exhibits and attachments thereto, comply with the instruments and applicable laws governing such Plan, and the Purchaser shall promptly advise the Manager in writing of any changes in any governing law or any regulations or interpretations thereunder affecting the duties, responsibilities, liabilities or obligations of the Manager, the Company, or any of their respective agents, representatives or affiliates.

Notwithstanding any other provision of this Subscription Agreement, the Company reserves the right to limit the amount of Interests issued to ERISA Participants by rejecting all or a portion of any ERISA Participants' subscription.

13. Power of Attorney. The Purchaser acknowledges that by executing the signature page attached hereto, the Purchaser is appointing the Manager (and any additional or substitute manager) to be the agent and attorney-in-fact of the Purchaser for certain purposes, as set forth in the Operating Agreement. The Purchaser further constitutes and appoints the Manager (and any additional or substitute manager), and any partner, member, officer or director thereof, the true and lawful attorney-in-fact of the Purchaser with full power of substitution, with such attorney having full power and authority to act for the Purchaser and, in the Purchaser's name, place and stead, (a) to execute, acknowledge, deliver, swear to, certify, verify, publish, file and record any amendment or amendments to the Company's Certificate of Formation for the purpose of adding the Purchaser and others as Members of the Company, as contemplated by the Operating Agreement (which amendments the Purchaser hereby joins in and executes), and of otherwise amending said Certificate and Operating Agreement, provided such actions are authorized in accordance with the provisions of the Operating Agreement, and (b) to take any and all other action on the Purchaser's behalf as is authorized in said Operating Agreement. The power of attorney hereby granted shall be deemed to be coupled with an interest, shall be irrevocable and shall survive the death or incompetency of the Purchaser.

14. Copies of Materials Furnished by the Company. Purchaser (a) has not and has not allowed, permitted or directed any other person or entity and (b) will not and will not allow, permit or direct any other person or entity to duplicate or furnish copies of any information provided by the Company to Purchaser to persons or entities other than Purchaser's investment and tax advisors or legal counsel assisting Purchaser in the evaluation of Interests in the Company.

15. Certain Fiduciary Matters. If the execution and delivery of this Subscription Agreement is being effected by the Purchaser on behalf of an individual or entity for which Purchaser is or could be deemed a fiduciary, Purchaser represents and warrants on the date hereof and on each date a capital contribution is made as follows:

(a) The decision to invest assets of the individual or entity in Interests was made by Purchaser as a fiduciary independent of the Manager and its agents, representatives or affiliates, and Purchaser (i) has made the decision solely in the interests of the individual or entity and its participants and beneficiaries, (ii) is duly authorized to make such investment decisions and (iii) has not relied on any advice or recommendation of, or ongoing monitoring of the investments by, the Manager or its agents, representatives or affiliates;

(b) Neither the Manager nor any of its agents, representatives or affiliates has exercised any discretionary authority or control with respect to the individual's or entity's investment in the Interests; and

(c) The representations and warranties in this Subscription Agreement shall be deemed to have been made on behalf of the person or persons for whom the Purchaser is so purchasing.

16. Purchaser Representative. The Purchaser acknowledges that, if the Purchaser has used the services of a purchaser representative in connection with an investment in the Company, such purchaser representative has disclosed, by submitting to the Purchaser a purchaser representative letter, in the form given to the Purchaser by the Company, any material relationship between such purchaser representative or such purchaser representative's affiliates and the Company and its affiliates, which now exists or mutually is understood to be contemplated or which has existed at any time during the previous two (2) years, and further setting forth any compensation received or to be received as a result of such relationship. Such purchaser representative has also completed either the Registered Representative & Broker/Dealer certification or Registered Investment Advisor certification, as applicable, as set forth on Exhibit B to this Subscription Agreement.

17. Investment Company Act. The Purchaser understands that the Company will not register as an investment company under the Investment Company Act by virtue of an exemption pursuant to Sections 3(c)(1), 3(c)(5)(C) or 3(c)(7). Accordingly, the protections afforded by the Investment Company Act will not be available to the Purchaser in connection with an investment in the Company.

18. Accuracy of Representations. The Purchaser covenants that, for so long as the Purchaser is a Member of the Company, the Purchaser will not take any action or fail to take any action that would cause any of the representations or warranties contained in this Subscription Agreement or the representations made in the Operating Agreement to be untrue.

19. Indemnification. The Purchaser understands the meaning of the representations and warranties made by him, her or it in this Subscription Agreement and in the Operating Agreement and hereby agrees to indemnify and hold harmless the Company, the Manager, other Members of the Company and all persons deemed to be in control of any of the foregoing, and to hold such persons and firms harmless from and against, any and all loss, damage, liability or expense, including costs and reasonable attorneys' fees, to which they may be put or which they may incur by reason of, or in connection with, (a) any misstatement, misrepresentation or omission made by or on behalf of the Purchaser with respect to the matters about which representations and warranties are required by the terms of this Subscription Agreement or the Operating Agreement, or (b) any breach of any such warranties or any failure to fulfill any covenants or agreements set forth herein or in the Operating Agreement, including, but not limited to, any sale, transfer or other disposition of all or any part of the Interests to or by the Purchaser in violation of the Securities Act or other applicable law.

20. Successors and Assigns. This Subscription Agreement, the representations and warranties contained herein and in the Operating Agreement shall be binding upon the heirs,

personal representatives, successors and assigns of the Purchaser. All such representations shall survive the delivery of this Subscription Agreement and the purchase by the Purchaser of any Interests.

21. Adoption of Operating Agreement. Upon acceptance by the Manager of the subscription of the Purchaser, the Purchaser agrees to become a Member of the Company and to join in and be bound by all terms, provisions, representations, conditions, restrictions and obligations of the Operating Agreement, as the case may be. The Purchaser acknowledges and agrees that this subscription shall survive the death, disability or incapacity of the Purchaser. This Subscription Agreement will be deemed to be accepted by the Company and the Manager only when executed by the Manager.

22. Anti-Money Laundering.

(a) The Company will not accept the investment of funds by natural persons or entities acting, directly or indirectly, in contravention of any applicable money laundering regulations or conventions of the United States or other international jurisdictions, or on behalf of terrorists, terrorist organizations or narcotics traffickers, including those persons or entities that are included on any relevant lists maintained by the United Nations, the North Atlantic Treaty Organization, the Organization of Economic Cooperation and Development, the Financial Action Task Force the U.S. Office of Foreign Assets Control, the U.S. Securities and Exchange Commission, the U.S. Internal Revenue Service, all as may be amended from time to time (“*Prohibited Investments*”). The Purchaser represents and warrants that the proposed subscription for Interests in the Company, whether made on the Purchaser’s own behalf or, if applicable, as an agent, trustee, representative, intermediary, nominee, or in a similar capacity on behalf of any other person or entity, nominee account or beneficial owner, whether a natural person or entity (each an “*Underlying Beneficial Owner*”), is not a Prohibited Investment, and further represents and warrants that the Purchaser will promptly notify the Company of any change in its status or the status of any Underlying Beneficial Owner(s) with respect to its representations and warranties regarding Prohibited Investments.

(b) In order for the Company to comply with applicable laws, rules, regulations, orders, directives, special measures that may be required by government regulators or interpretation thereof by the appropriate regulatory authority having jurisdiction, and to which the Company or Manager is subject, at the request of the Manager and in the timeframes determined by the Manager, Purchaser shall provide the Manager additional documentation verifying, among other things, such Purchaser’s identity, including the identity of such Purchaser’s owners, partners, members, stockholders and/or stakeholders, and the source and type of funds used to purchase its Interest. Purchaser acknowledges that the Manager may be required to provide this information, or report the failure to comply with such requests, to governmental authorities, in certain circumstances without notifying the Purchaser that the information has been provided.

(c) The Purchaser authorizes and consents to the Manager, or other authorized representative of the Company, contacting each bank or other financial institution with which the Purchaser maintains an account from which funds used to acquire Interests in the Company will be drawn, and verifying with each such bank or other financial institution the identity of the Purchaser.

23. Distribution Proceeds. The Purchaser acknowledges and agrees that any distribution proceeds paid to it will be paid to the same account from which its investment in the Company was originally remitted, unless the Manager agrees otherwise.

24. Conflict. The execution and delivery of this Subscription Agreement and the Operating Agreement, the consummation of the transactions contemplated hereby by the Purchaser and the performance of the Purchaser's obligations hereunder and under the Operating Agreement will not conflict with, or result in any violation of or default under, any provision of any governing instrument applicable to the Purchaser, or any agreement or other instrument to which the Purchaser is a party or by which the Purchaser or any of its properties are bound, or any foreign or domestic permit, franchise, judgment, decree, statute, rule or regulation applicable to the Purchaser or the Purchaser's business or properties.

25. Amendment. This Subscription Agreement may only be modified or amended by an instrument in writing signed by all parties hereto.

26. Gender, Etc. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

27. Counterparts and Facsimile. This Subscription Agreement may be executed in more than one counterpart and by facsimile with the same effect as if the parties executed one counterpart.

28. Entire Agreement. This Subscription Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements or understandings of the parties related hereto.

29. Validity. In the event all or any portion of this Subscription Agreement shall be held to be invalid, the same shall not effect in any respect whatsoever the validity of the remainder of this Subscription Agreement.

30. Indulgences, Etc. Neither the failure nor any delay on the part of the Company or the Manager to exercise any right, remedy, power or privilege under this Subscription Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and signed by the party asserted to have granted such waiver.

31. Governing Law. This Subscription Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois as interpreted by the courts of said State, notwithstanding any rules regarding choice of law to the contrary.

32. Disclosure of Tax Treatment and Tax Structure. The Purchaser (and each employee, representative, or other agent of the Purchaser) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Company and all materials of any kind (including opinions or other tax analyses) that are provided to the Purchaser relating

to such tax treatment and tax structure, it being understood that the names of any direct or indirect entities through which the Company owns assets are not part of the tax treatment or tax structure.

33. OFAC. Purchaser hereby represents and warrants that Purchaser is (i) in full compliance with all applicable orders, rules, regulations and recommendations of The Office of Foreign Assets Control of the U.S. Department of the Treasury; (ii) is not a Prohibited Person (as defined below); (iii) in full compliance with the requirements of the Patriot Act and all other requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury (as used in this Section only, "*OFAC*"); (iv) operated under policies, procedures and practices, if any, that are in compliance with the Patriot Act; (v) not in receipt of any notice from the Secretary of State or the Attorney General of the United States or any other department, agency or office of the United States claiming a violation or possible violation of the Patriot Act; (vi) not a person who has been determined by competent authority to be subject to any of the prohibitions contained in the Patriot Act; and (vii) not owned or controlled by or now acting and or will in the future act for or on behalf of any person who has been determined to be subject to the prohibitions contained in the Patriot Act. "*Patriot Act*" shall mean the USA PATRIOT Act of 2001, 107 Public Law 56 (October 26, 2001) and in other statutes and all orders, rules and regulations of the United States government and its various executive departments, agencies and offices related to the subject matter of the Patriot Act, including Executive Order 13224 effective September 24, 2001. "*Prohibited Person*" shall mean any person or entity:

(a) who is a "blocked" person listed in the Annex, or otherwise subject to the provisions of, the Executive Order Nos. 12947, 13099 and 13224 on Terrorist Financing, effective September 24, 2001, and all modifications thereto or thereof, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (as used in this Section only, the "*Annex*");

(b) that is owned or controlled by, or acting for or on behalf of, any person or entity that is listed to the Annex, or is otherwise subject to the provisions of, the Annex;

(c) with whom the Company is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Annex;

(d) who commits, threatens or conspires to commit or supports "terrorism" as defined in the Annex;

(e) that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/ofac/t11sdn.pdf> or at any replacement website or other replacement official publication of such list or any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of the OFAC issued pursuant to the Patriot Act or on any other list of terrorists or terrorist organizations maintained pursuant to the Patriot Act; or

(f) who is an affiliate of or affiliated with a person or entity listed above.

EXHIBIT A

1. If the Purchaser is a natural person, please check all categories that apply to you.

_____ (a) The Purchaser is a natural person whose net worth,¹ either individually or jointly with the Purchaser's spouse, at the time of purchase, exceeds \$1,000,000.

_____ (b) The Purchaser is a natural person who had individual income in excess of \$200,000, or joint income with the Purchaser's spouse or spousal equivalent in excess of \$300,000, in each of the two most recent years and the Purchaser reasonably expects to reach the same income level in the current year.²

_____ (c) The Purchaser holds one or more of the following professional licenses in good standing: General Securities Representative license (Series 7), the Private Securities Offerings Representative license (Series 82), or the Investment Adviser Representative license (Series 65).

2. If Purchaser is not a natural person, please check all categories that apply to the Purchaser.

_____ (a) The Purchaser is a bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended (the "*Securities Act*"), or any savings and loan association or other institution as defined in

¹ For purposes of calculating an individual Purchaser's net worth for this Subscription Agreement, net worth generally means the excess of total assets at fair market value (excluding the value of the primary residence of the Purchaser) over total liabilities, subject to the following adjustments: (i) indebtedness that is secured by the Purchaser's primary residence in excess of the estimated fair market value of the primary residence is included as a liability, and (ii) indebtedness that is secured by the Purchaser's primary residence, up to the estimated fair market value of the primary residence at the time of the entry into this Subscription Agreement, is not included as a liability (except that if the amount of such indebtedness outstanding at the time of the entry into this Subscription Agreement exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess is included as a liability).

² For purposes of this Subscription Agreement, individual income means adjusted gross income, as reported for federal income tax purposes, less any income attributable to a spouse or spousal equivalent or to property owned by a spouse or spousal equivalent, increased by the following amounts (but not including any amounts attributable to a spouse or spousal equivalent or to property owned by a spouse or spousal equivalent): (i) the amount of any tax-exempt interest income under Section 103 of the Code, and any "qualified distribution" from a Roth IRA received; (ii) the amount of losses claimed as a limited partner in a limited partnership as reported on Schedule E of Form 1040; (iii) any deduction claimed for depletion under Section 611 *et seq.* of the Code; (iv) amounts contributed to an Individual Retirement Account (other than a Roth IRA), as defined in the Code, or Keogh retirement plan; (v) alimony paid and deductible pursuant to a divorce or separation instrument executed on or before December 31, 2018; (vi) any elective contributions to a cash or deferred arrangement under Section 401(k) of the Code; and (vii) for applicable taxable years, any amount by which income from long-term capital gains has been reduced in arriving at adjusted gross income pursuant to the provisions of Section 1202 of the Code.

Section 3(a)(5)(A) of the Securities Act whether acting in its individual or a fiduciary capacity.

- _____ (b) The Purchaser is a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended.
- _____ (c) The Purchaser is an insurance company as defined in Section 2(a)(13) of the Securities Act.
- _____ (d) The Purchaser is an investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940.
- _____ (e) The Purchaser 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.
- _____ (f) The Purchaser 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 a plan has total assets in excess of \$5,000,000.
- _____ (g) The Purchaser is an employee benefit plan within the meaning of ERISA, and (A) the investment decision is made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company or registered investment adviser, or (B) the employee benefit plan has total assets in excess of \$5,000,000, or (C) is a self-directed plan, with investment decisions made solely by persons that are accredited Purchasers, or (D) is a participant directed plan, the participant for whose benefit the investment in the Company is being made has directed such investment, and the participant is an “accredited investor” within the meaning of Regulation D.
- _____ (h) The Purchaser is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.
- _____ (i) The Purchaser is a business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940.
- _____ (j) The Purchaser is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, a corporation, foundation, endowment, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000.

- _____ (k) The Purchaser is a Rural Business Investment Company, as defined in Section 384A of the Consolidated Farm and Rural Development Act.
- _____ (l) The Purchaser is an investment adviser registered pursuant to Section 203 of the Investment Advisers Act of 1940 or pursuant to the laws of a state, or relying on the registration exemption under Sections 203(l) or (m) of the Investment Advisers Act of 1940.
- _____ (m) The Purchaser is an entity not listed in 2(a)-(l), (n), or (q) (such as a governmental body, fund, or entity organized under the laws of a foreign country) that owns investments (as defined in Rule 2a51-1(b) under the Investment Company Act of 1940) in excess of \$5,000,000 and was not formed for the specific purpose of acquiring Interests.
- _____ (n) The Purchaser is a trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Interests, whose purchase of the Interests is directed by a sophisticated person who has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the prospective investment.
- _____ (o) The Purchaser is a family office (as defined in rule 202(a)(11)(G)-1 of the Investment Advisers Act) with total assets in excess of \$5,000,000 under management, not formed for the specific purpose of acquiring Interests, whose purchase of the Interests is directed by a sophisticated person who has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the prospective investment (such family office, a “*Family Office*”).
- _____ (p) The Purchaser is a family client (as defined in rule 202(a)(11)(G)-1 of the Investment Advisers Act) of a Family Office (defined above), whose purchase of the Interest is directed by such Family Office.
- _____ (q) The Purchaser is an entity in which all of the equity owners are “accredited investors.” If this question is selected, and no other question is selected for each of (a)-(p) above in Section 2 of this Exhibit A, each equity owner of the Purchaser must complete an accredited investor questionnaire.

EXHIBIT B

REGISTERED REPRESENTATIVE & BROKER/DEALER

(To Be Completed by Registered Representative and Broker/Dealer - For Commission and other Purposes) I hereby represent and certify that I have discharged my affirmative obligations under FINRA's Conduct Rules, and hereby further certify as follows: (A) a copy of the Confidential Private Placement Memorandum of Cedar Adams Shareholder LLC has been delivered to the Purchaser; (B) I have specifically obtained information from the Purchaser concerning the Purchaser 's age, net worth, annual income, investment objectives, investment portfolio and other financial information; and (C) I have determined that an investment in the Company is suitable for the Purchaser. I have also informed the Purchaser of all pertinent facts relating to the illiquidity and lack of a public market of an investment in the Company.

The broker/dealer or authorized representative has personally seen and recorded a government issued identification document evidencing the residence or nationality of the Purchaser and has a reasonable basis for verification of the Purchaser's identity. The broker/dealer or authorized representative warrants that, in connection with the completion of the Subscription Agreement included as part of these subscription documents, the broker/dealer or authorized representative completed documentation to the effect that the Purchaser(s) and registered owner(s) do not appear on the Office of Foreign Assets Control ("OFAC") list of foreign nations, organizations and individuals subject to economic and trade sanctions.

PRINT NAME OF REGISTERED REPRESENTATIVE <input type="text"/>	
REGISTERED REPRESENTATIVE'S FINRA CRD NO. <input type="text"/>	
X	
Signature of Registered Representative	Date
<input type="text"/>	
<input type="checkbox"/> Registered Representative: please check this box to verify that you have personally seen and recorded a government issued identification document from the Purchaser.	
Registered Representative Office Address: <input type="text"/>	
PHONE	FAX
<input type="text"/>	<input type="text"/>
E-MAIL ADDRESS (REQUIRED FOR CORRESPONDENCE) <input type="text"/>	
ASSISTANT'S E-MAIL ADDRESS <input type="text"/>	

NAME OF BROKER/DEALER <input type="text"/>	
PRINT NAME OF PRINCIPAL, BRANCH MANAGER, OTHER <input type="text"/>	
X	
Signature of Principal, Branch Mgr, other	Date
<input type="text"/>	
<input type="checkbox"/> Broker/Dealer: please check this box to verify that the Registered Representative is licensed with FINRA in the state of sale.	
Broker/Dealer Address: <input type="text"/>	
PHONE	FAX
<input type="text"/>	<input type="text"/>
E-MAIL ADDRESS (REQUIRED FOR CORRESPONDENCE) <input type="text"/>	
ASSISTANT'S E-MAIL ADDRESS <input type="text"/>	

Check this box if this investment has alternative fee arrangement that results in a lower Interests purchase price.

Describe: _____

REGISTERED INVESTMENT ADVISORS

For purposes of the Subscription Agreement and the subscription of the person (the “Purchaser”) subscribing hereunder (the “Subscription”), the advisor identified herein (“Advisor”) represents and warrants to, and agrees with, the Company and its Manager, as follows (capitalized terms used herein without definition have the meanings ascribed to such terms in the Subscription Agreement):

1. Advisor acknowledges and agrees that no compensation will be paid in respect of the Subscription to the Advisor by the Company or any person acting on its behalf.
2. In its communications with Purchaser with respect to the offering and in procuring the Subscription, the Advisor represents as follows:
 - a. The Advisor did not engage in any form of general solicitation or general advertising.
 - b. The Advisor has an investment advisory relationship with the Purchaser, which relationship was established before the commencement of the offering.
 - c. The Purchaser resides in a jurisdiction that the Company has identified as a jurisdiction in which the Interests are qualified for sale or as to which such qualification is not required.
 - d. The Advisor has determined that an investment in the Company is appropriate for the Purchaser’s advisory account.
 - e. The Advisor has reasonable grounds to believe that the Purchaser is an “accredited investor” as that term is defined in Rule 501 of Regulation D promulgated under the Securities Act, and that the Purchaser meets the financial qualification and suitability standards and other requirements established by the Company for investing in the offering.
 - f. The Advisor has submitted to the Company any prescribed pre-qualification questionnaires completed by or for the Purchaser.
 - g. If the Advisor is not exercising investment discretion with respect to the Subscription, the Advisor advised the Purchaser that the Purchaser would be afforded the opportunity to ask questions of, and receive answers from the Company and the Manager, and their respective principals, concerning the Company, the Manager, the respective affiliates of each of the foregoing entities, the Interests and the terms and conditions of the offering, and to obtain any additional information deemed necessary to verify the accuracy of the information contained in the Memorandum to the extent possessed by the Manager or obtainable by it without unreasonable effort or expense.
 - h. Prior to submitting the Subscription, the Advisor made reasonable inquiry to determine (i) if the Purchaser is acquiring the Interests for the Purchaser’s own account or on behalf of other persons, (ii) that the Purchaser understands the limitations on the Purchaser’s disposition of the Interests under applicable federal and state securities laws and the Operating Agreement, and (iii) that the Purchaser understands that he, she or it must bear the economic risk of the investment for an indefinite period of time because of such limitations.
3. The Advisor agrees to maintain, for at least six years, a record of the information obtained to determine that an investment in the Company is a suitable and appropriate investment for the Purchaser and that such Purchaser meets the financial qualification and suitability standards and other requirements imposed on investors in the offering, and to make such records available to the Company during such period upon its reasonable request.
4. The Advisor agrees to keep records indicating by number to whom each Memorandum and related materials was delivered and to make such information available to the Company upon written request.
5. The Advisor represents to the Company that the Advisor or the company with which Advisor is employed (the “Firm”) has established and implemented: (a) an anti-money laundering compliance program in accordance with applicable laws and regulations, including federal and state securities laws, the USA Patriot Act of 2001, Executive Order 13224 – Executive Order on Terrorist Financing Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, industry practices for the investment advisor industry, and applicable rules of FINRA to the extent applicable to the Advisor or the Firm, and (b) a program, in accordance with applicable laws and regulations, (i) for the verification of the identity of its new clients, (ii) for maintenance of client records, (iii) to check the names of new clients against government watch lists, including the Office of Foreign Asset Control’s list of Specially Designated Nationals and Blocked Persons, and (iv) for the provision of information to the Financial Crimes Enforcement Network upon request.

With respect to any nonpublic personal information, as defined in the Gramm-Leach-Bliley Act of 1999 (the “GLB Act”), of Purchaser provided to the Advisor, the Advisor agrees to (a) abide by and comply with and to cause the Firm to abide by and comply with (i) the applicable privacy standards and requirements of the GLB Act and the applicable regulations promulgated thereunder, (ii) the privacy standards and requirements of any other applicable federal or state law, and the Firm’s own internal privacy policies and procedures, each as may be amended from time to time; (b) refrain from the use or disclosure of nonpublic personal information (as defined under the GLB Act) of Purchaser if Purchaser has opted out of such disclosures, except as necessary to service the Purchaser or as otherwise necessary or required by applicable law; and (c) provide Purchaser both initial and annual privacy notices as required pursuant to Rule 6(a) of Regulation S-P, promulgated under the GLB Act.

REGISTERED INVESTMENT ADVISORS (CONTINUED)

(If an owner or principal or any member of the RIA is a FINRA licensed registered representative affiliated with a broker/ dealer, the transaction should be conducted through that broker/dealer, not through the RIA.)

The undersigned registered investment advisor of the firm identified below hereby certifies that he or she has procured this subscription and that he or she is familiar with the purchaser making this investment in the Company and has determined that such purchaser qualifies as an "accredited investor" as defined in Rule 501 of Regulation D under the Securities Act.

The undersigned registered investment advisor further certifies that:

- (1) he or she is registered with (please check one) the SEC or the State of _____
- (2) unless noted below, (a) he or she is not a member of FINRA and, based on the activities he or she performs, is not required to be a member of FINRA or to register as a broker or dealer under federal or state law, and (b) he or she is not affiliated with a member of FINRA; and
- Advisor is a member of FINRA and his or her CRD# is as set forth above.
- Advisor is affiliated with the following FINRA member (include CRD#): _____
- (3) his/her signature below constitutes his/her agreement to be bound by all the provisions of the terms and conditions set forth on the following page.

NAME OF RIA FIRM

NAME OF RIA REPRESENTATIVE

X _____

Signature of RIA Representative

Date

ADDRESS

CITY

STATE

ZIP CODE

EMAIL

TELEPHONE

SIGNATURE PAGE FOR SUBSCRIPTION AGREEMENT

IN WITNESS WHEREOF, the Purchaser and the Manager have executed this Subscription Agreement as of the dates set forth below.

Initial Capital Contribution: _____

Initial Percentage Interest (subject to adjustment pursuant to Section 8.2 of the Operating Agreement): _____%

Name of Purchaser (print exact name of the holder who will take title to the Interests; if the Interest is being purchased jointly with a spouse, please include both names):

**INDIVIDUAL PURCHASERS SIGN
HERE:**

**PURCHASERS THAT ARE NOT
INDIVIDUALS SIGN HERE:**

Signature

Entity Name

Signature of Spouse, if joint investment

By: _____
Name:
Title:

Date

Date

Printed Name(s)

Please do not write below this point.

The foregoing subscription is accepted by 30 East Adams Manager LLC as to _____ Dollars (\$_____) as of this ____ day of _____, 20__ and the Purchaser is hereby admitted to the Company as a Member.

30 East Adams Manager LLC, an Illinois limited liability company

By: _____

Name: Alex Samoylovich

Title: Manager

By: _____

Name: Mark Heffron

Title: Manager

By: _____

Name: William Murphy

Title: Manager

COUNTERPART SIGNATURE PAGE FOR LLC AGREEMENT

SIGNATURE PAGE TO THE LIMITED LIABILITY COMPANY AGREEMENT

OF

CEDAR ADAMS SHAREHOLDER LLC

By signing below, the undersigned hereby (i) executes the Operating Agreement of Cedar Adams Shareholder LLC (the “*Operating Agreement*”); (ii) authorizes the Manager of Cedar Adams Shareholder LLC, a Delaware limited liability company (the “*Company*”), to affix this signature page to the Operating Agreement to form a part thereof; (iii) agrees to become a Member of the Company; (iv) agrees to be fully bound by the Operating Agreement; and (v) swears that the statements made by the undersigned and set forth in the Operating Agreement including, but not limited to, the representations and warranties set forth in Article XIV thereof, are true and correct.

Member’s Name, Taxpayer Identification Number and Address Signature

Printed Name

Member

Taxpayer Identification Number: _____

Percentage Interest: _____%

Mailing Address and Facsimile Number:

Initial
Capital Contribution \$ _____

Additional
Capital Contribution \$ _____

EMAIL: _____

Membership Interests _____

Authorized Representative (for Members
that are entities):

Accepted by:

Printed Name

30 East Adams Manager LLC

Mailing Address and Facsimile Number:

By: _____
Name: Alex Samoylovich
Title: Manager

EMAIL: _____

Consent to Electronic Delivery of Schedule K-1

The IRS issued Revenue Procedure 2012-17 (the “**Revenue Procedure**”) on February 13, 2012, which requires a partnership to receive affirmative consent from its members in order to deliver Schedule K-1s (“**K-1s**”) electronically. This correspondence will provide you with a number of disclosures required under the Revenue Procedure. If after reading the below information you choose to have your K-1 delivered electronically, please return this consent form. Capitalized terms not defined in this consent shall have the meanings given to them in the Subscription Agreement.

- 1) Name of Purchaser: _____
- 2) Consent to electronic delivery. If yes, please check the following:

IMPORTANT DISCLOSURE INFORMATION

1. If you do not consent to electronic delivery, you will receive a paper K-1 in the mail, which will be delivered to the address that we currently have on file.
2. Your consent to electronic delivery will apply to all future K-1s unless consent is withdrawn by you (see point 4 below).
3. If for any reason you would like a paper copy of your K-1 after you have consented to electronic delivery, you may submit a request via a written request to Cedar Adams Shareholder LLC c/o 30 East Adams Manager LLC, 151 W. Huron Street, Chicago, Illinois 60654. Requesting a paper copy of your K-1 will not be treated as a withdrawal of consent.
4. If you would like to withdraw your consent to electronic delivery, you may submit a notice via a written request to Cedar Adams Shareholder LLC c/o 30 East Adams Manager LLC, 151 W. Huron Street, Chicago, Illinois 60654. Your consent is considered withdrawn on the date the Company receives your written request to withdraw consent. The Company will confirm the withdrawal and its effective date in writing. A withdrawal of consent does not apply to a K-1 that was e-mailed to you in accordance with the Revenue Procedure before the effective date of the withdrawal of consent.
5. The Company will cease providing statements to you electronically if you provide a notice to withdraw consent, if you cease to be a member in the Company or if regulations change to prohibit the form of delivery.
6. If you need to update your contact information that we have on file, please e-mail the update to us.
7. We will notify you if there are any changes to the contact information of the Company.
8. You will need a computer, printer and a .pdf reader software to access, print and retain your K-1.
9. Your K-1 may be required to be printed and attached to a federal, state or local income tax return.

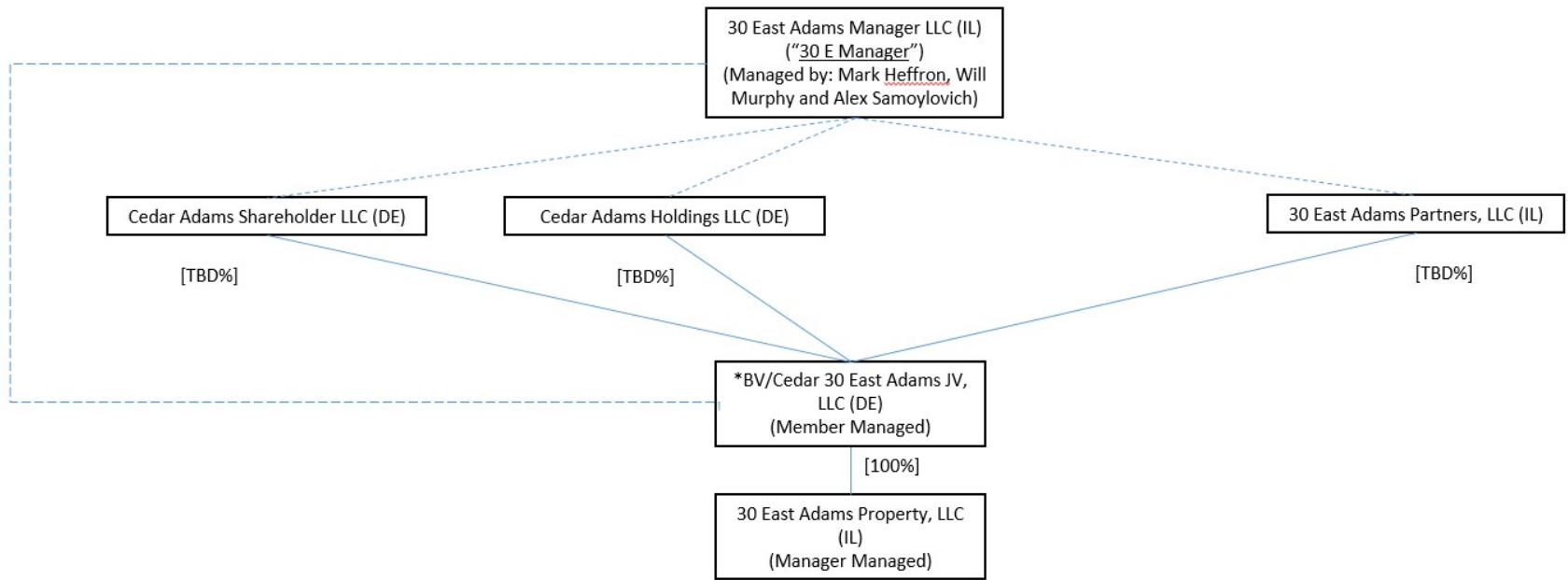
Signature: _____ Date: _____

Title (if applicable): _____

APPENDIX C

Organizational Diagram

[See attached.]



APPENDIX D

Pro Forma

[See attached.]

	Stabilized UW	Year 1	Year 2	Year 3	Year 4	Year 5
RESIDENTIAL RENT REVENUE						
Potential Rent						
Gross Market Rent	4,818,392	4,999,082	5,186,548	5,381,043	5,582,832	5,792,188
Loss/Gain to Lease	(24,092)	(24,995)	(25,933)	(26,905)	(27,914)	(28,961)
Total Potential Rent	4,794,300	4,974,087	5,160,615	5,354,138	5,554,918	5,763,227
Economic Loss						
Less: Vacancy	(240,920)	(249,954)	(259,327)	(269,052)	(279,142)	(289,609)
Less: Concession	0	0	0	0	0	0
Less: Non Revenue Units	(23,940)	(24,658)	(25,398)	(26,160)	(26,945)	(27,753)
Collection Loss	(11,986)	(12,498)	(12,966)	(13,453)	(13,957)	(14,480)
Total Economic Loss	(276,845)	(287,110)	(297,692)	(308,665)	(320,043)	(331,843)
NET RESIDENTIAL RENT REVENUE	4,517,455	4,686,977	4,862,923	5,045,473	5,234,875	5,431,385
COMMERCIAL RENT REVENUE						
Commercial Rent	928,825	928,825	955,259	983,917	1,013,434	1,043,837
Commercial Reimbursement	162,773	127,837	167,656	172,686	177,867	183,203
Vacancy Loss	(54,580)	(79,750)	0	0	0	0
Total Commercial Income	1,037,018	976,912	1,122,915	1,156,603	1,191,301	1,227,040
OTHER INCOME						
Pass thru Utility Package	306,603	315,801	325,275	335,033	345,084	355,437
Other Income	149,018	153,489	158,094	162,837	167,722	172,753
Total Other Income	455,621	469,290	483,369	497,870	512,806	528,190
TOTAL INCOME	6,010,094	6,133,179	6,469,207	6,699,946	6,938,982	7,186,615
CONTROLLABLE EXPENSES						
Repairs and Maintenance	139,271	143,449	147,753	152,185	156,751	161,453
Apartment Turnover Costs	50,028	51,529	53,074	54,667	56,307	57,996
Payroll	497,886	512,822	528,207	544,053	560,375	577,186
General & Administrative	112,131	115,495	118,959	122,528	126,204	129,990
Marketing	154,044	158,665	163,425	168,328	173,378	178,579
Utilities	361,796	372,650	383,830	395,345	407,205	419,421
Total Controllable Expenses	1,315,156	1,354,610	1,395,249	1,437,106	1,480,219	1,524,626
NON CONTROLLABLE EXPENSES						
Management Fees	180,303	183,995	194,076	200,998	208,169	215,598
Property Taxes	685,705	706,276	727,464	749,288	771,767	794,920
Insurance	95,223	98,080	101,022	104,053	107,174	110,390
Total Non-Controllable Expenses	961,231	988,351	1,022,563	1,054,339	1,087,111	1,120,908
TOTAL OPERATING EXPENSES	2,276,386	2,342,961	2,417,811	2,491,445	2,567,330	2,645,534
NET OPERATING INCOME	3,733,708	3,790,218	4,051,396	4,208,501	4,371,652	4,541,081
NET OPERATING INCOME	3,733,708	3,790,218	4,051,396	4,208,501	4,371,652	4,541,081
HUD Capital Reserves	52,800	54,384	56,016	57,696	59,427	61,210
OPERATING CASH FLOW	3,680,908	3,735,834	3,995,381	4,150,805	4,312,225	4,479,871
Senior Mortgage Debt		2,125,795	2,125,795	2,125,795	2,125,795	2,125,795
HUD MIP		105,611	104,126	102,587	100,990	99,335
NET INCOME		1,504,427	1,765,459	1,922,422	2,085,439	2,254,741
Capital Events						
Equity Outflow	-23,633,808					
Net Income		1,504,427	1,765,459	1,922,422	2,085,439	2,254,741
Sale Proceeds						60,890,374
Equity Cash Flow	-23,633,808	1,504,427	1,765,459	1,922,422	2,085,439	63,145,116
Cash on Cash Return		6.4%	7.5%	8.1%	8.8%	9.5%

APPENDIX E

Confidential Investment Overview

[See attached.]

The Alfred

Chicago, IL

Multifamily Equity Investment Offering



Important Notices, Risks and Disclaimers

This confidential presentation (this "Presentation") is being furnished upon request and on a confidential basis to a limited number of sophisticated investors on a "one-on-one" basis for the purpose of providing certain information about Cedar Adams Shareholder LLC, a Delaware limited liability company (the "Fund"). This Presentation is for informational and discussion purposes only and is not, and may not be, relied on in any manner as legal, tax, investment, accounting or other advice or as an offer to sell or a solicitation of an offer to purchase any securities of the Fund. Any such offer or solicitation shall only be made pursuant to the final subscription package, which includes a final Private Placement Memorandum and other final materials (as amended or supplemented from time to time, the "Subscription Package"), which will be furnished to qualified investors on a confidential basis at their requested and should be reviewed in connection with any consideration of an investment in the Fund. No person has been authorized to make any statement concerning the Fund other than as will be set forth in the Subscription Package and any representation or information not contained therein may not be relied upon. The information contained in this Presentation must be kept strictly confidential and may not be reproduced (in whole or in part) or redistributed in any format without the express written approval of 30 East Adams Manager LLC (the "Manager"). By accepting this document, the recipient agrees that it will, and will cause its representatives and advisors to, use the information only to evaluate its potential interest in the Fund and for no other purpose and will not, and will cause its representatives and advisors not to, divulge any such information to any other party. Neither the Fund nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein should be relied upon as a promise or representation as to past or future performance of the Fund or any other entity.

An investment in the Fund entails a high degree of risk and no assurance can be given that the Fund's investment objectives will be achieved or that investors will receive a return of their capital. In considering investment performance information contained in this Presentation, prospective investors should bear in mind that past, targeted or projected performance is not indicative of future results, and there can be no assurance that targeted or projected returns will be achieved, that the Fund will achieve comparable results or that the Fund will be able to implement its investment strategy or achieve its investment objectives. While the projected returns are based on assumptions which the Manager believes are reasonable under the circumstances, the actual realized returns on the Fund's unrealized investments will depend on, among other factors, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the Manager's projections are based. Accordingly, the actual realized returns on unrealized investments may differ materially from the Manager's projected returns indicated herein. There can be no assurance that "pending" or "expected" investments described herein will be completed or that projected or expected realizations or distributions will occur. Furthermore, prospective investors are encouraged to contact the Fund's representatives to discuss the procedures and methodologies used to calculate the investment returns and other information provided herein. Certain information contained herein constitutes "forward-looking statements," which can be identified by the use of terms such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," "target" or "believe" (or the negatives thereof) or other variations thereon or comparable terminology. Due to various risks and uncertainties, such as those set forth in the Subscription Package, actual events or results or actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. As a result, prospective investors should not rely on such forward-looking statements in making their investment decisions.

No representation or warranty is made as to future performance of the Fund. None of the information contained herein has been filed with the U.S. Securities and Exchange Commission, any securities administrator under any securities laws of any U.S. or non-U.S. jurisdiction or any other U.S. or non-U.S. governmental or self-regulatory authority. No such governmental or self-regulatory authority will pass on the merits of the offering of the Fund or the adequacy of the information contained herein. Any representation to the contrary is unlawful. Statements contained in this Presentation are based on current expectations, estimates, projections, opinions and beliefs of the Manager. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. The performance of the Fund is subject to risks and uncertainties, including those discussed in the Subscription Package.

Certain information contained herein has been obtained from published sources and/or prepared by third parties and in certain cases has not been updated through the date hereof. While such sources are believed to be reliable, neither the Fund, the Manager, nor their respective affiliates nor any advisor or employee assume any responsibility for the accuracy or completeness of such information. The use of this Presentation in certain jurisdictions may be restricted by law. Prospective investors in the Fund should inform themselves as to the legal requirements and tax consequences of an investment in the Fund within the countries of their citizenship, residence, domicile and place of business. Opinions expressed herein are subject to change without notice. Interests in the Fund may not be eligible for sale in some states or countries, nor suitable for all types of investors; their value and the income they produce may fluctuate and/or be adversely affected by exchange rates, interest rates, or other factors.

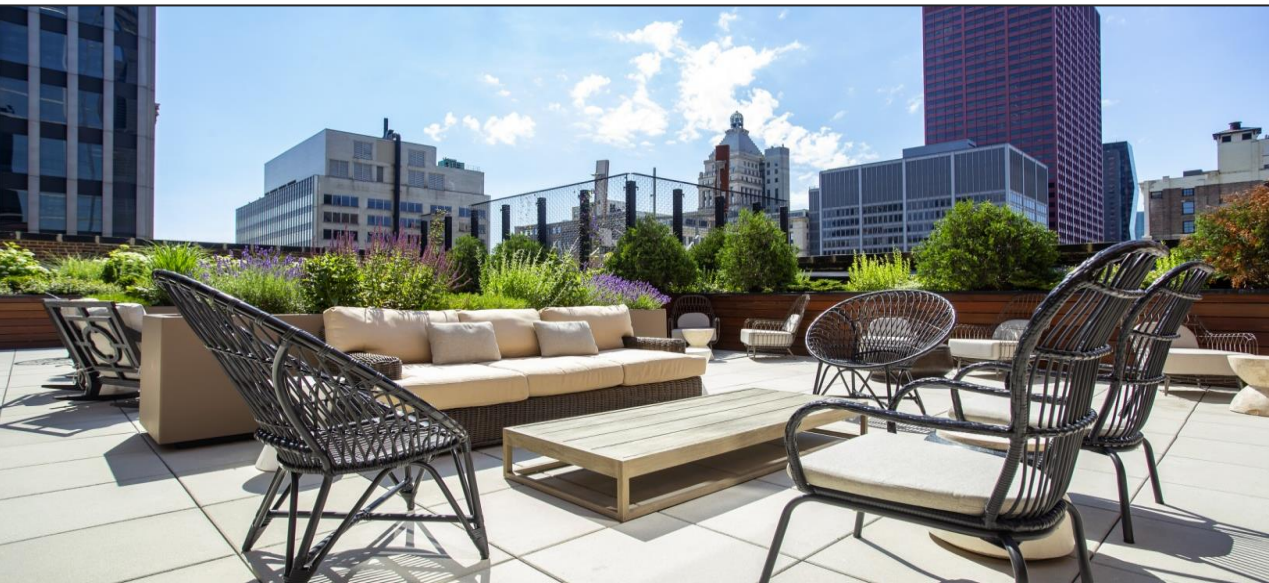
Unless otherwise noted, all information contained in this Presentation is the sole intellectual property of the Fund or the Manager.

Additional information will be provided upon request.

Securities offered through Arkadios Capital, LLC – Member FINRA/SIPC

Asset Overview

Address	30 E Adams St, Chicago, IL
Units	176
Residential	115,454 RSF
Retail	18,839 RSF
NOI (Underwritten)	\$3.7MM
Targeted IRR (5-Year Hold)	26.40%
Targeted Multiple (5-Year Hold)	2.98x
Average Cash on Cash (5-Year Hold)	8.07%



The Opportunity

CEDARst Companies is pleased to offer an equity recapitalization investment opportunity of up to \$23.6MM in The Alfred.

The Alfred is a 14-story mixed-use asset located in the heart of the Chicago Loop. The property offers a premier residential amenity suite complete with a large rooftop terrace, a gym, and ground floor retail. The Loop continues to expand as a residential neighborhood (see page 5), which will continue to drive demand for housing in the area.

CEDARst completed a successful adaptive reuse of the existing landmark office building in 2018 with a conversion to multifamily while maintaining legacy retail tenants on the ground floor including the historic Miller’s Pub. Many of the original details of the vintage office structure were restored including the Chicago-style windows, decorative wood flooring, and exterior masonry. The project utilized Federal Historic Tax Credits which were capitalized with Chase’s Historic Tax Credit Equity platform.

The property totals nearly 135,000 RSF, consisting of 18,839 RSF of retail across three tenants and 176 multifamily units comprised of 34 studio, 131 1-bed, and 11 2-bed apartments with an average unit size of 655 SF. Located at the corner of Wabash Avenue and Adams Street in The Loop, the property offers tremendous access to some of the city’s most desirable amenities including the Art Institute one block east and Millennium Park and Grant Park nearby. Additionally, there is a tremendous concentration of universities within walking distance from The Alfred including DePaul University’s Loop campus, Columbia College, UIC (John Marshall) Law School, Harold Washington, SAIC, and Roosevelt University, which provides an additional renter pool for the building.

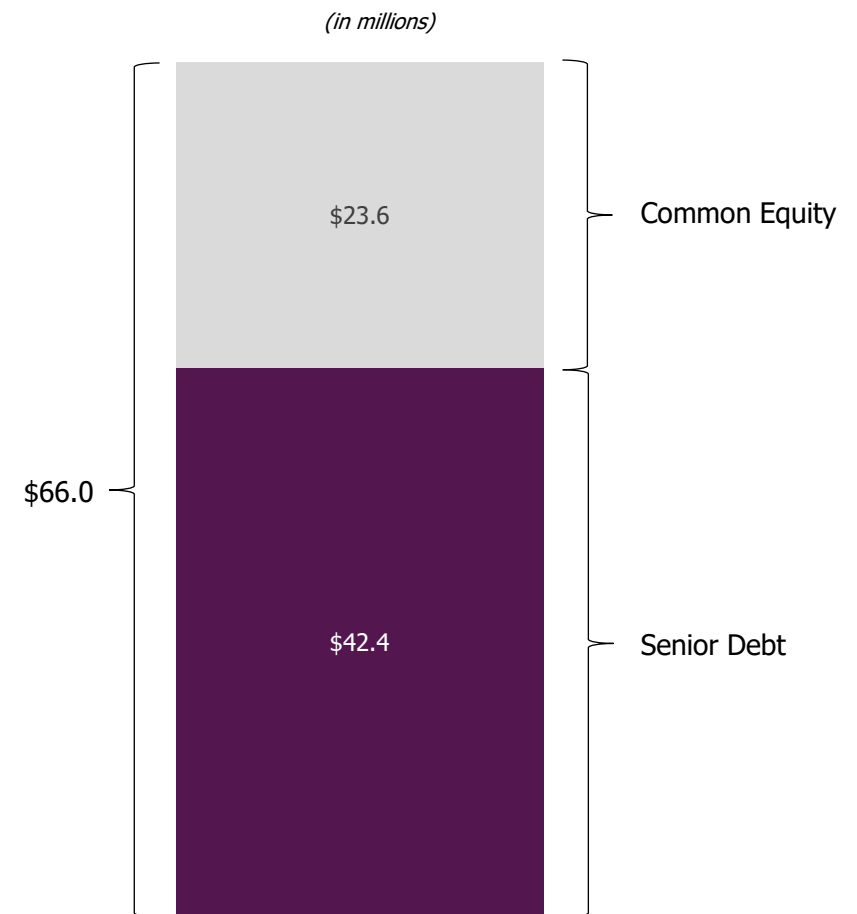
The property holds attractive fixed rate senior debt at a 3.65% interest rate with over 35 years of term remaining on a 40-year amortization schedule. The current senior debt balance of approximately \$42.4MM represents a 64% LTV on the going-in basis of \$66.0MM.

Investment Snapshot

Valuation Build-Up	Amount
Apartment Income	\$4,973,076
Commercial Income	\$1,037,018
Total Expenses	(\$2,276,386)
NOI	\$3,733,708
Value	\$66,000,000



Proforma Capital Stack

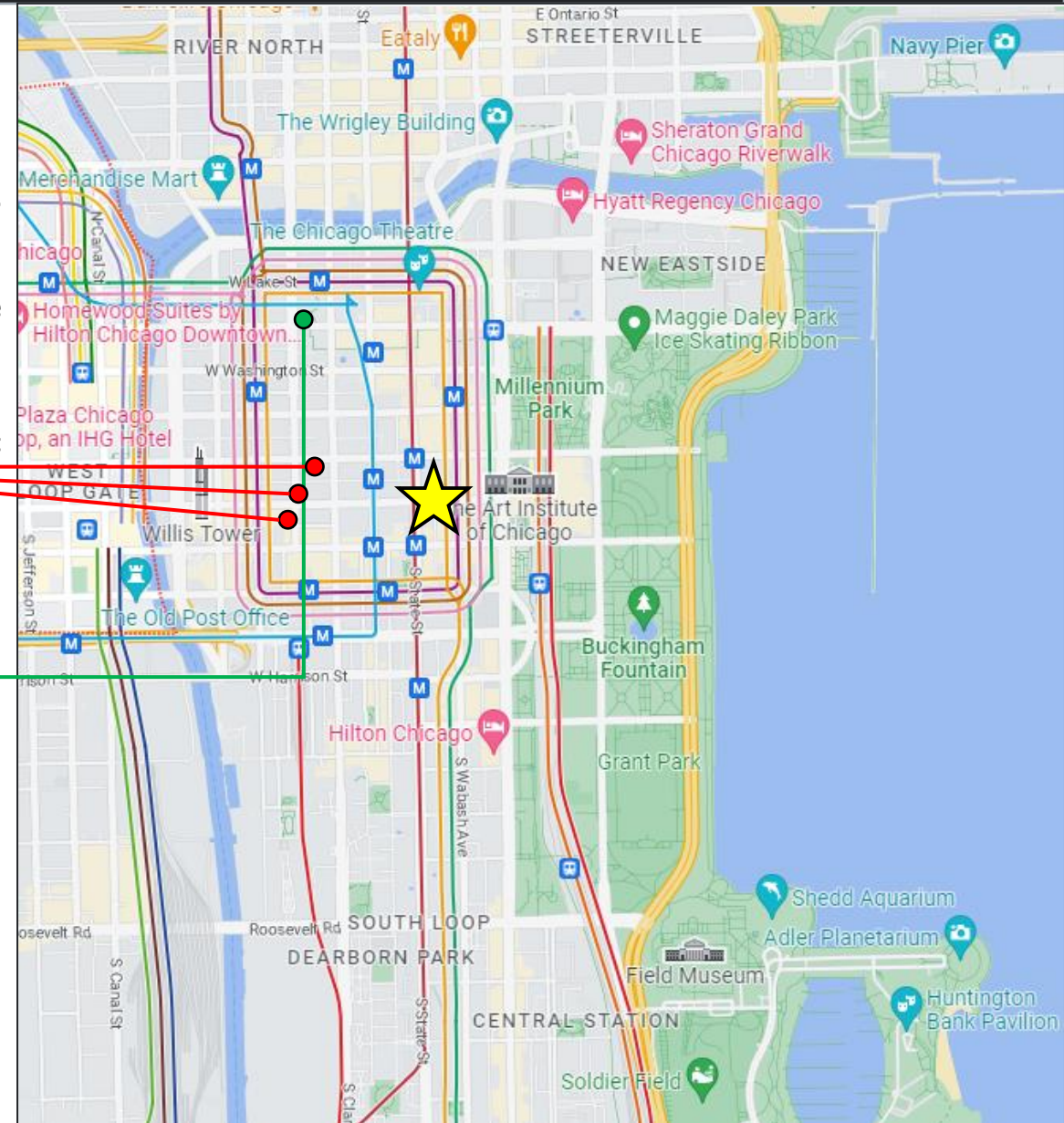


The asset has 3.65% fixed rate debt with over 35 years remaining term on a 40-year amortization schedule.

Chicago Loop

The Loop continues to be Chicago's fastest growing neighborhood and the fastest growing residential downtown in the country:

- Between 2010 and 2020, the Loop registered the largest population gain among Chicago's 77 Community Districts (+44.45%)¹.
- Since 2020, the Loop has added an estimated 3,700 additional residents, increasing the total population to 46,000. Another 8,000 residents are projected to arrive in the Loop over the next five years².
- The Loop consists of 137MM SF of office space, 3.3MM SF of retail space, 610,000 jobs, and 60,000+ students³.
- Investment momentum is building in the Loop by both private sources (e.g., Google) and public sources (e.g., ~\$190MM TIF funding).



Block Club Chicago

LATEST STORIES THE BALLOT 'ON THE BLOCK' SEND NEWS TIPS NEWSLETTERS SHOP SUBS

DOWNTOWN

Google Is Buying The Thompson Center For \$105 Million

The famed building will be sold to the tech giant, which will "entirely" redevelop the Thompson Center into an office suite for its workers, Gov JB Pritzker said.

Kelly Bauer 8:54 AM CDT on Jul 27, 2022

July 27, 2022

Block Club Chicago

LATEST STORIES THE BALLOT 'ON THE BLOCK' SEND NEWS TIPS NEWSLETTERS SHOP SUBS

DOWNTOWN

3 Proposals Chosen To Bring More Than 1,000 Apartments To LaSalle Street

The winning proposals are slated to get \$188 million in TIF dollars and will bring 1,059 apartment to the financial district, 317 of them affordable.

Melody Mercado 8:00 AM CDT on Mar 28, 2023

March 28, 2023

¹U.S. Census 2010; U.S. Census 2020
²Chicago Loop Alliance 2022 Loop Residential Impact Study
³Berkadia

CRAIN'S CHICAGO BUSINESS

Downtown Chicago Apartment Rents Rising, but More Increases Ahead

August 25, 2023

Tenants in downtown Chicago apartments are feeling the pinch of rising rents as demand keeps surging. But it's nothing compared to the more painful squeeze that's on the horizon. After consecutive quarters of slowing rent growth, net rent at top-tier, or Class A, apartment buildings downtown increased by 3.3% during the second quarter to a record-high \$3.76 per square foot, according to the Chicago office of appraisal and consulting firm Integra Realty Resources. Net rent includes concessions like free rent.

The data shows the continued resilience of demand for rental units in the heart of the city, even as demand for commercial properties like offices and retail remain sluggish coming out of the COVID-19 pandemic. While people may not want to work and shop in the city as regularly as they used to, they still want to live there. The rent increase last quarter was in line with the average over the past decade, suggesting the market is neither too hot nor too cold. But if Integra's projections are right, it won't be long before those modest increases turn into spikes. The main culprit: Developers aren't starting enough new apartment projects right now.

After developers complete around 2,900 units this year and another 3,600 next year — fairly typical annual numbers over the past decade — Integra forecasts the city will only get 400 new apartments in 2025, which would be the fewest for any single year since 2004. "This is the calm before the storm for renters," said Integra Senior Managing Director Ron DeVries. "Rents are going to spike in 2025."

Landlords can thank higher interest rates for that. Developers have struggled to land financing for new apartment projects over the past year, nearly shutting off the new supply pipeline. That means a typical amount of demand in two years will far outpace the number of new apartments in the market, a recipe for landlord pricing power. Higher borrowing costs have also helped juice demand, as some renters that would traditionally opt to move out and buy a house aren't doing so.

In newer buildings downtown, one-bedroom apartments are renting for around \$3,000 per month, a number that would have been hard to reach before the COVID-19 pandemic, DeVries said. The interest rate impact isn't unique to Chicago, but it has big implications for the city's lack of affordable housing. While rising rents could

help developers start to land financing for new projects and relieve the supply constraint, some may be scared off by rising property taxes and new measures that Mayor Brandon Johnson's administration could back, such as a higher real estate transfer tax. "You have to build new units to add to the supply, then everything falls down the line in terms of what happens to the lower quality units," DeVries said. "This is going to further add to the housing shortage crisis."

Net rents at less-expensive, or Class B, apartment buildings hit a record-high \$3.21 per square foot in the second quarter, according to Integra. That's more than it cost to rent in a Class A building just before the pandemic. Overall occupancy at downtown apartments stood at 95.1% midway through the year, according to Integra data, on the high end of what the firm considers a stabilized market. The rate was 95.2% at the same time last year. Of course, higher interest rates also have a big downside for landlords, particularly those with maturing debt.

Despite strong demand and rising rents, the increased cost of capital has driven down property values and made it difficult for owners to refinance. Some examples of the value loss: The 329-unit Lake & Wells apartment tower in the Loop sold in April for \$98 million, well below the building's \$123 million construction cost. In Streeterville, the 398-unit North Water Apartments recently fetched a sale price of \$173 million, down from the \$240 million it sold for in 2016. Just before the summer, Houston-based real estate firm Hines paid around \$73 million for the 199-unit apartment building at 165 N. Desplaines St., a price that people familiar with the property said was far less than it would have fetched a few years ago.

"If you put long-term debt on your building and nothing is coming due soon, you're sitting in a great spot right now," DeVries said. "The problem is, a lot of people have debt (maturities) happening, which is why (a lot) is for sale." Some of the rent increases on the horizon will vary by location. The West Loop, for example, has more than 2,000 units expected to deliver next year, according to Integra. That's more than all other downtown submarkets combined, meaning West Loop rent hikes might be kept in check. "But in Streeterville, River North, the Gold Coast — for people that really want to live there, there could be more upward pressure (on rents) next year," DeVries said. "In 2025, you'll see it across the board."



COSTAR INSIGHT

Here's Where To Find the Nation's Strongest and Weakest Apartment Rent Growth

Chicago Posts Top Rent Growth, Outpacing Other Major Markets



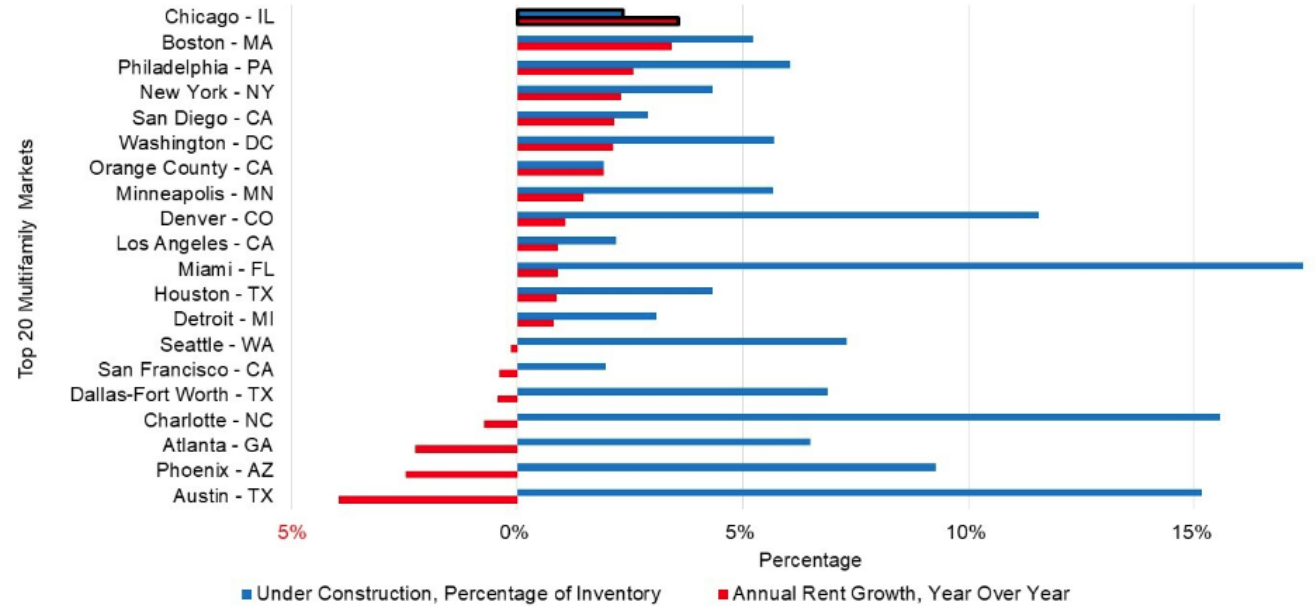
Chicago's apartment rents are up 3.6% annually, which is higher than the national average. (Gian Lorenzo Ferretti)

By [Rhea Stephen](#)
CoStar Analytics

August 28, 2023 | 3:42 P.M.

For the first time in more than 20 years, Chicago's apartment rent growth is the highest among its major market peers over the course of three consecutive quarters.

Chicago's Rent Growth Beats Others with Outsized Inventory Expansions



Source: CoStar, August 2023



Commercial Tenants



MILLER'S PUB

Tenant since 1970s

In 1950, three brothers of Greek descent, Pete, Nick and Jimmy Gallios, pooled all of their resources and purchased the flailing Miller's Pub from the Miller brothers, who had established the bar in 1935. After the purchase, the Gallios brothers did not have the \$500 it would have cost to change the sign on the pub, so the name Miller's remained.

Over the years they imprinted not only their work ethic but their personalities on the pub. It became one of the most famous late-night spots Chicago had to offer, where on any night of the week an average couple out on-the-town might find Marilyn Monroe or Mayor Daley in the booth next to them. Chicago baseball legends Bill Veeck and Harry Caray were regular customers and became lifelong friends of the family.

Miller's Pub continued to flourish and by 1972 the brothers owned three restaurants on the Adams/Wabash block with Miller's as the focal point of the family business. In 1989, when the building they were renting was renovated to seat cars rather than people, Miller's Pub moved into one of their other restaurants, Vannie's, at 134 S. Wabash and continued their business without batting an eye. At 134 S. Wabash, where it remains today, the Gallios' continue to make their B.B.Q. Canadian Baby Back Ribs succulent and tasty, and their customers happy.



Tenant since 2022

Pro Forma CFs

	Stabilized UW	Year 1	Year 2	Year 3	Year 4	Year 5
RESIDENTIAL RENT REVENUE						
Potential Rent						
Gross Market Rent	4,818,392	4,999,082	5,186,548	5,381,043	5,582,832	5,792,188
Loss/Gain to Lease	(24,092)	(24,995)	(25,933)	(26,905)	(27,914)	(28,961)
Total Potential Rent	4,794,300	4,974,087	5,160,615	5,354,138	5,554,918	5,763,227
Economic Loss						
Less: Vacancy	(240,920)	(249,954)	(259,327)	(269,052)	(279,142)	(289,609)
Less: Concession	0	0	0	0	0	0
Less: Non-Revenue Units	(23,940)	(24,658)	(25,398)	(26,160)	(26,945)	(27,753)
Collection Loss	(11,986)	(12,498)	(12,966)	(13,453)	(13,957)	(14,480)
Total Economic Loss	(276,845)	(287,110)	(297,692)	(308,665)	(320,043)	(331,843)
NET RESIDENTIAL RENT REVENUE	4,517,455	4,686,977	4,862,923	5,045,473	5,234,875	5,431,385
COMMERCIAL RENT REVENUE						
Commercial Rent	928,825	928,825	955,259	983,917	1,013,434	1,043,837
Commercial Reimbursement	162,773	127,837	167,656	172,686	177,867	183,203
Vacancy Loss	(54,580)	(79,750)	0	0	0	0
Total Commercial Income	1,037,018	976,912	1,122,915	1,156,603	1,191,301	1,227,040
OTHER INCOME						
Passthru Utility Package	306,603	315,801	325,275	335,033	345,084	355,437
Other Income	149,018	153,489	158,094	162,837	167,722	172,753
Total Other Income	455,621	469,290	483,369	497,870	512,806	528,190
TOTAL INCOME	6,010,094	6,133,179	6,469,207	6,699,946	6,938,982	7,186,615
OPERATING EXPENSES						
Repairs and Maintenance	139,271	143,449	147,753	152,185	156,751	161,453
Apartment Turnover Costs	50,028	51,529	53,074	54,667	56,307	57,996
Payroll	497,886	512,822	528,207	544,053	560,375	577,186
General & Administrative	112,131	115,495	118,959	122,528	126,204	129,990
Marketing	154,044	158,665	163,425	168,328	173,378	178,579
Utilities	361,796	372,650	383,830	395,345	407,205	419,421
Management Fees	180,303	183,995	194,076	200,998	208,169	215,598
Property Taxes	685,705	706,276	727,464	749,288	771,767	794,920
Insurance	95,223	98,080	101,022	104,053	107,174	110,390
Total Operating Expenses	2,276,386	2,342,961	2,417,811	2,491,445	2,567,330	2,645,534
NET OPERATING INCOME	3,733,708	3,790,218	4,051,396	4,208,501	4,371,652	4,541,081

Pro Forma CFs Cont.

	Stabilized UW	Year 1	Year 2	Year 3	Year 4	Year 5
NET OPERATING INCOME	3,733,708	3,790,218	4,051,396	4,208,501	4,371,652	4,541,081
HUD Capital Reserves	52,800	54,384	56,016	57,696	59,427	61,210
OPERATING CASH FLOW	3,680,908	3,735,834	3,995,381	4,150,805	4,312,225	4,479,871
Senior Mortgage Debt		2,125,795	2,125,795	2,125,795	2,125,795	2,125,795
HUD MIP		105,611	104,126	102,587	100,990	99,335
NET INCOME		1,504,427	1,765,459	1,922,422	2,085,439	2,254,741
Capital Events	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Equity Outflow	(23,633,808)					
Equity Cash Flow	-	1,504,427	1,765,459	1,922,422	2,085,439	2,254,741
Sale Proceeds						60,890,374
Equity Cash Flow	(23,633,808)	1,504,427	1,765,459	1,922,422	2,085,439	63,145,116
Cash on Cash Return		6.4%	7.5%	8.1%	8.8%	9.5%

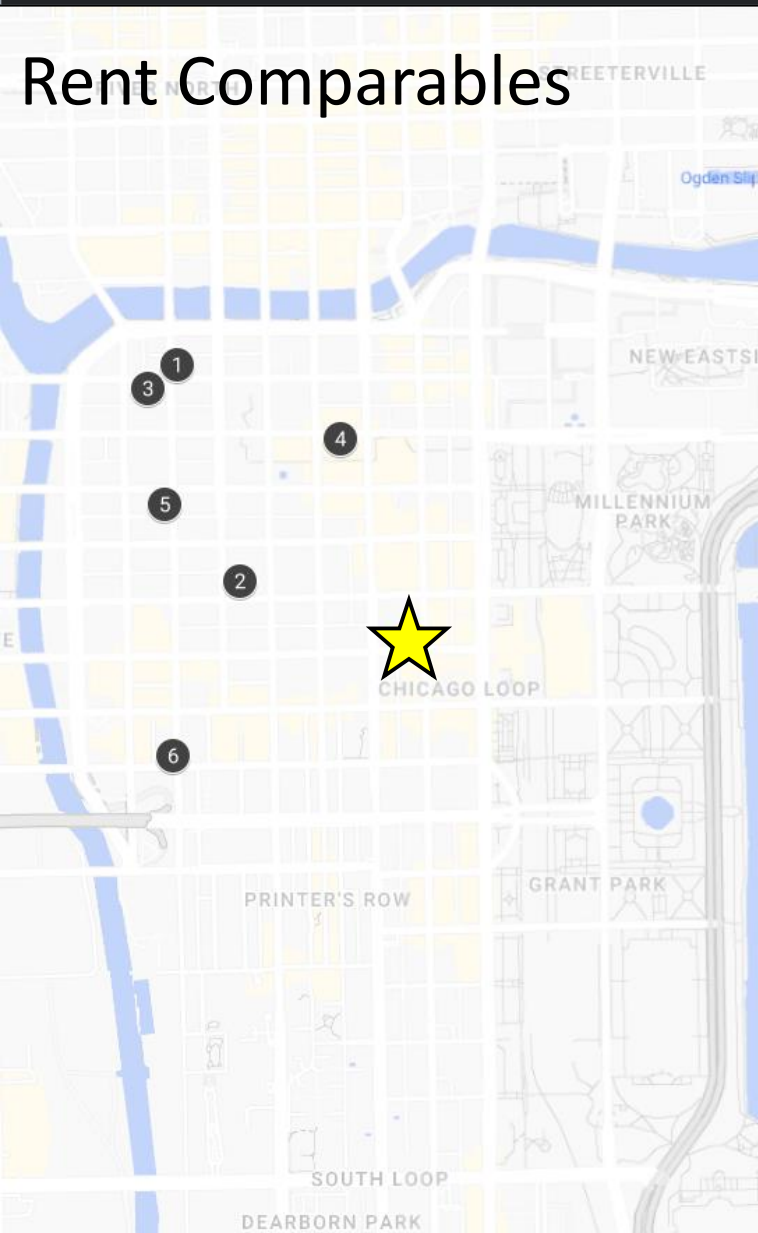
Reversion Value

Year 6 NOI	\$4,862,133
Reversion Cap Rate	4.75%
Value	\$102,360,700

Equity Returns

IRR	26.40%
Equity Multiple	2.98x
Average Cash on Cash	8.07%

Rent Comparables



Name	Subject The Alfred	Comp 1 Century Tower	Comp 2 Millennium on LaSalle	Comp 3 LINEA	Comp 4 Randolph Tower City Apts	Comp 5 215 West Apartments	Comp 6 330 S Wells
Address	30 E Adams St	182 W Lake St	29 S LaSalle St	215 W Lake St	188 W Randolph St	215 W Washington St	330 S Wells St
Neighborhood	Chicago Loop	Chicago Loop	Chicago Loop	Chicago Loop	Chicago Loop	Chicago Loop	Chicago Loop
Year Built	1926/2019	1930/2019	1900/2021	2017	1929/2012	2010	1927/2019
Unit Count	176	293	216	265	312	387	129
Occupancy	94.9%	93.2%	97.2%	94.3%	96.5%	93.0%	96.1%
Averages	Rent PSF	Rent PSF	Rent PSF	Rent PSF	Rent PSF	Rent PSF	Rent PSF
Avg Market Rent	\$2,177 \$3.32	\$2,168 \$3.18	\$2,435 \$3.26	\$3,052 \$3.36	\$2,169 \$3.15	\$2,434 \$2.94	\$1,971 \$3.66
Avg Unit Size	656	682	748	907	689	829	539
Studio Mkt Rent	\$1,976 \$3.63	\$1,724 \$3.82	\$2,010 \$3.33	\$2,198 \$3.27	\$1,845 \$3.20	\$2,093 \$3.45	\$1,872 \$4.01
Studio Unit Size	544	451	604	673	577	607	467
1-BR Mkt Rent	\$2,161 \$3.36	\$1,973 \$3.04	\$2,445 \$3.25	\$2,551 \$3.42	\$2,279 \$3.09	\$2,283 \$2.68	\$2,038 \$3.47
1-BR Unit Size	643	648	753	745	738	851	588
2-BR Mkt Rent	\$2,989 \$2.60	\$2,849 \$3.04	\$3,603 \$3.17	\$3,873 \$3.38	\$3,380 \$3.10	\$3,137 \$2.83	\$0 \$0.00
2-BR Unit Size	1,151	938	1,135	1,147	1,091	1,107	0
3-BR Mkt Rent	\$0 \$0.00	\$3,712 \$2.87	\$0 \$0.00	\$4,964 \$3.23	\$0 \$0.00	\$5,442 \$3.12	\$0 \$0.00
3-BR Unit Size	0	1,294	0	1,537	0	1,743	0
Number of Units	# %	# %	# %	# %	# %	# %	# %
Studio	34 19%	80 27%	77 36%	27 10%	191 61%	136 35%	52 40%
1-BR	131 74%	128 44%	112 52%	150 57%	77 25%	174 45%	77 60%
2-BR	11 6%	82 28%	27 13%	64 24%	44 14%	69 18%	0 0%
3-BR	0 0%	3 1%	0 0%	24 9%	0 0%	8 2%	0 0%

Sale Comparables

Apartment Property	Neighborhood	Year Built	Units	Average Size	Sale Date	Seller	Buyer	Sale Price	\$/Unit	\$/SF	Cap Rate
220 W Illinois	River North	2015	188	890	Jul-22	Mapletree	Cortland	\$105,000,000	\$558,511	\$628	4.80%
727 W Madison	West Loop	2018	492	783	Aug-23	Ares	Pntegadea	\$231,500,000	\$470,528	\$601	5.00%
Linea	Loop	2017	265	885	Dec-18	Roszak/LaSalle	Pacific Reach	\$121,000,000	\$456,604	\$505	4.65%
North Water Tower	River North	2014	398	909	Jun-23	Invesco	Crescent Heights	\$173,018,000	\$434,719	\$478	5.20%
EVO Union Park	West Loop	2021	242	761	Nov-22	Marquette/Zeller	Marquette/Pac Life	\$103,500,000	\$427,686	\$562	4.70%
Essex on the Park	South Loop	2019	479	817	Oct-20	Oxford Group	Iconiq	\$203,000,000	\$423,800	\$519	-
Marquee at Block 37	Loop	2016	690	855	Dec-19	CIM	Morguard Group	\$265,000,000	\$384,058	\$449	4.70%
Eleven40	South Loop	2018	320	607	Mar-19	CA Ventures/K Giles	DRM	\$117,000,000	\$365,625	\$588	4.70%
EMME	West Loop	2017	199	663	Jun-23	Green Cities	Hines	\$72,600,000	\$364,824	\$538	5.40%
Tides at Lakeshore East	Lakeshore East	2008	608	791	Dec-21	PNC Realty Advisors	Waterton	\$210,000,000	\$345,395	\$433	4.25%
ALTA Roosevelt	South Loop	2017	496	791	Oct-22	Wood Partners/CBREi	Waterton	\$170,000,000	\$342,742	\$433	4.80%
Xavier	River North	2015	240	705	Mar-23	Green Cities	Morguard Group	\$81,000,000	\$337,500	\$465	4.60%
Astoria Tower	South Loop	2008	248	899	Mar-22	Crescent Heights	3L Real Estate	\$82,500,000	\$332,661	\$370	4.70%
Shoreham at Lakeshore East	Lakeshore East	2005	548	770	Dec-21	PNC Realty Advisors	Waterton	\$180,000,000	\$328,467	\$418	4.25%
Lake & Wells	Loop	2010	329	821	Apr-23	National Real Estate Advisors	Green Cities	\$98,200,000	\$298,480	\$351	5.60%