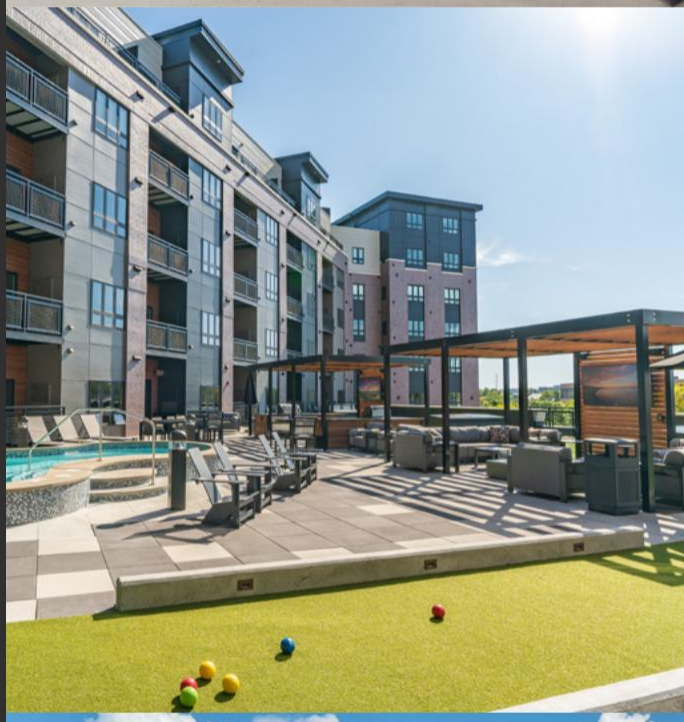
Privera Real Estate



Private Placement Memorandum

Privera Real Estate Apartment Fund VII, LLC

No. _____

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

Privera Real Estate
APARTMENT FUND VII, LLC

a Delaware limited liability company

Up to $100,000,000 of Preferred Units (Subject to Increase) | $25,000 per Preferred Unit

THIS MEMORANDUM IS NOT AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY, TO ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION, PURCHASE OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF SUCH JURISDICTION. IN MAKING A DECISION TO PURCHASE PREFERRED UNITS, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THIS MEMORANDUM AND SUCH OTHER DOCUMENTS MAY NOT BE REPRODUCED OR REDISTRIBUTED TO ANY OTHER PERSON FOR ANY PURPOSE WHATSOEVER. THIS MEMORANDUM AND THE APPENDICES HERETO, AS WELL AS THE NATURE OF THE INVESTMENT, SHOULD BE INDEPENDENTLY REVIEWED BY EACH PROSPECTIVE INVESTOR AND SUCH INVESTOR'S TAX, LEGAL, INVESTMENT OR OTHER ADVISORS. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS MEMORANDUM AS INVESTMENT, TAX OR LEGAL ADVICE.

SPONSORED BY:

The date of this Memorandum is December 20, 2019

Confidential Private Placement Memorandum

Privera Real Estate APARTMENT FUND VII, LLC

Up to $100,000,000 of Preferred Units (Subject to Increase)
$25,000 Per Preferred Unit

Privera Real Estate Apartment Fund VII, LLC, a Delaware limited liability company ("we" or the "Fund") is offering for sale up to 4,000 preferred units of limited liability company interest (the "Preferred Units") at an offering price of $25,000 per Preferred Unit, for an aggregate offering of up to $100,000,000, pursuant to this Confidential Private Placement Memorandum (this "Memorandum"). The Fund may, in the sole discretion of the Manager (as defined herein), increase the maximum dollar amount of this offering. The Preferred Units are being offered only to "accredited investors" as defined by Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"). The Preferred Units are being offered on a "best efforts, no minimum" basis, and there is no minimum number or dollar amount of Preferred Units we must sell before we may accept subscriptions and begin using proceeds received from investors. Pending a closing on subscriptions, we will deposit any proceeds of this offering in an interest bearing, segregated account. We reserve the right to amend, abandon, terminate or withdraw this placement at any time for any reason.

The Fund is a limited liability company formed under the laws of the State of Delaware on December 4, 2019 for the purpose of investing in and owning multifamily real estate and interests in multifamily real estate, with a primary focus on apartment communities located throughout the Midwest and Southeast regions of United States, and other areas in which Privera Real Estate and its affiliates own properties, as further described in this Memorandum. We have delegated exclusive control of the business, operations and management of the Fund to our manager, Privera Real Estate Fund Manager VII, LLC, a Delaware limited liability company (the "Manager").

Before this offering, there was no market for the Fund's securities, and no market is expected to develop in the foreseeable future, or ever. We arbitrarily determined the offering price of the Preferred Units, and the price does not bear any relationship to the Fund's assets, book value, net worth or other traditional criteria of value. The Preferred Units offered will be "restricted securities" under the Securities Act must be held for investment purposes only and are subject to substantial limitations on resale or other transfer. An investor must purchase the Preferred Units for his or her own account and must assume the economic risk of investment for an indefinite period of time. See "Risk Factors and Conflicts of Interest," "Description of Securities" and "Plan of Distribution."

THE SECURITIES OFFERED HEREBY ARE HIGHLY SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK. THEY SHOULD BE PURCHASED ONLY BY PERSONS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT, WHOSE LIQUIDITY REQUIREMENTS ARE CONSISTENT WITH THE FUND'S LLC AGREEMENT'S PROVISIONS FOR DISTRIBUTIONS, AND WHO ARE ABLE TO BEAR TAX LIABILITIES GENERATED BY PARTICIPATION UNDER CIRCUMSTANCES WHERE FUNDS MAY NOT BE DISTRIBUTED TO MEET SUCH TAX LIABILITIES. SEE "RISK FACTORS AND CONFLICTS OF INTEREST."

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF Privera Real Estate APARTMENT FUND VII, LLC AND THE TERMS OF THE PLACEMENT, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC") OR ANY OTHER STATE OR FEDERAL AGENCY OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SEC OR OTHER AGENCY OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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PREFACE

This Memorandum has been prepared for distribution to a limited number of prospective investors for their confidential use and information in evaluating an investment in the Preferred Units and may not be used for any other purpose. The placement is being made only to "accredited investors" as that term is defined by Rule 501(a) of Regulation D promulgated under the Securities Act. As you read the Memorandum, please note the following:

This Memorandum has been prepared in connection with the private placement of the Preferred Units and may not be reproduced or distributed, in whole or in part, without the Fund's prior written consent.

During the course of the placement and prior to an investment decision, prospective investors are urged and invited to ask questions of and obtain additional information from the Fund concerning the terms and conditions of the placement, the Fund, the Fund's business, the Manager, the Sponsor and any other relevant matters including, but not limited to, additional information to verify the accuracy of the information set forth herein. Such information will be provided to the extent that the Manager possesses such information or can acquire it without unreasonable effort or expense. If you have questions or desire additional information regarding this placement, please contact Gregory Ribich, Vice President of Investor Relations, at (952) 843-2035 or Robert Fransen, President of the Manager, at (952) 843-2040, in each case during normal business hours.

Prospective investors are not to construe the contents of this Memorandum as legal, tax or investment advice. Each prospective investor should make its own inquiries and consult with its own advisors as to the legal, tax, investment, accounting and other consequences of an investment in the Fund and the Preferred Units.

No offering literature or advertising in any form will or may be employed in the placement of the Preferred Units except for this Memorandum, statements contained or documents summarized herein and information provided by the Manager in response to questions from a prospective investor. No person has been authorized to make any representations or give any information not contained or referred to herein. Only those representations set forth in this Memorandum may be relied upon in connection with this placement.

This Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates. This Memorandum does not constitute an offer to anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. All information contained herein is as of the date of this Memorandum, and neither the delivery of this Memorandum nor any sales made hereunder shall, under any circumstances, imply that there has been no change in the affairs of the Fund since such date.

The Preferred Units offered hereby may not be transferred unless such Preferred Units are registered under the Securities Act or unless the transfer is exempt from the registration requirements of the Securities Act. No public market for the Preferred Units exists or is likely to develop. Further, the transfer of the Preferred Units will be restricted by the terms of the Fund's LLC Agreement. Investors will be required to execute the LLC Agreement as a condition to being admitted as a member of the Fund. In the event that any of the terms, conditions or other provisions of such LLC Agreement are inconsistent with or contrary to the descriptions or other terms of this Memorandum, the LLC Agreement will control. A copy of the form of LLC Agreement is attached hereto as Exhibit C.

This Memorandum is solely intended to provide prospective investors with an introduction to the offering, the structure of the Fund and its affiliates and a summary of certain terms of the Preferred Units and the LLC Agreement. The LLC Agreement should be reviewed thoroughly by each prospective investor. Prospective investors will be required to satisfy the investor suitability standards imposed by the Fund. To the extent there is any inconsistency between the information contained herein and in the LLC Agreement, the LLC Agreement will govern and control.

FORWARD-LOOKING STATEMENTS

Any statements in this Memorandum and any exhibits, supplements or amendments hereto that are not historical facts are forward-looking statements. Words such as "expect," "believe," "intend," "estimate," "project," "may," and similar expressions identify forward-looking statements. These forward-looking statements are predicated on beliefs and assumptions based on information known as of the date of this Memorandum, are not guarantees of future performance and do not purport to speak as of any other date. Forward-looking statements may include descriptions of the Fund's plans and objectives for future operations and forecasts of its revenue, earnings or other measures of economic performance (including statements of profitability). They involve assumptions and are subject to substantial risks and uncertainties, such as changes in plans, objectives, expectations and intentions. Should one or more of these risks materialize or should underlying beliefs or assumptions prove incorrect, actual results could differ materially from those discussed and the Fund may not meet its objectives.

Information contained in this Memorandum, including forward-looking statements, speak only as of the date of this Memorandum. Neither the Fund nor the Manager undertakes to update this Memorandum, including forward-looking statements, to reflect facts, circumstances, assumptions or events that occur after the date of this Memorandum.

NOTICE TO PROSPECTIVE INVESTORS IN ALL STATES

The Preferred Units are being offered only to persons who are "accredited investors" as defined in Regulation D under the Securities Act. The Preferred Units will not be registered under the Securities Act or the securities laws of any state, nor has the SEC or any state securities regulator passed on the virtue of the Preferred Units or this Memorandum. The Fund will offer and sell the Preferred Units in reliance upon exemptions from the registration requirements of these laws. The Preferred Units will be subject to restrictions on transferability and resale and you will not be able to transfer or resell Preferred Units or any beneficial interest therein unless the Preferred Units are registered pursuant to or exempted from such registration requirements. You must be prepared to bear the economic risk of an investment in the Preferred Units for an indefinite period of time and be able to withstand a total loss of your investment.

The securities laws of certain jurisdictions grant purchasers of securities sold in violation of the registration or qualification provisions of such laws the right to rescind their purchase of such securities and to receive back the consideration paid. The Fund believes that the offering described in this Memorandum is not required to be registered or qualified. Many of these laws granting the right of rescission also provide that suits for such violations must be brought within a specified time – typically within one year from discovery of facts constituting such violation. Should any investor institute an action claiming that the offering conducted as described herein was required to be registered or qualified, the contents of this Memorandum will be deemed to constitute notice of the facts of the alleged violation.

PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: ANY DISCUSSION OF U.S. FEDERAL INCOME TAX ISSUES CONTAINED OR REFERENCED IN THIS MEMORANDUM IS WRITTEN IN CONNECTION WITH THE PROMOTION OR

MARKETING BY THE FUND AND ITS AFFILIATES OF THE TRANSACTIONS OR MATTERS DISCUSSED IN THIS MEMORANDUM. PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

NOTICE TO FLORIDA RESIDENTS

NOTICE TO FLORIDA RESIDENTS ONLY: THE SECURITIES REFERRED TO IN THIS MEMORANDUM HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES ACT. IF SALES ARE MADE TO FIVE OR MORE INVESTORS IN FLORIDA, ANY FLORIDA INVESTOR MAY, AT HIS, HER OR ITS OPTION, VOID ANY PURCHASE HEREUNDER WITHIN A PERIOD OF THREE DAYS AFTER HE, SHE OR IT (I) FIRST TENDERS OR PAYS TO THE FUND OR AN AGENT OF THE FUND THE CONSIDERATION REQUIRED HEREUNDER OR (II) DELIVERS HIS, HER OR ITS EXECUTED SUBSCRIPTION AGREEMENT, WHICHEVER OCCURS LATER. TO ACCOMPLISH THIS, IT IS SUFFICIENT FOR A FLORIDA INVESTOR TO SEND A LETTER TO THE FUND WITHIN SUCH THREE-DAY PERIOD, STATING THAT HE, SHE OR IT IS VOIDING AND RESCINDING THE PURCHASE. IF ANY FLORIDA INVESTOR SENDS A LETTER, IT IS PRUDENT TO DO SO BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT THE LETTER IS RECEIVED AND TO EVIDENCE THE TIME OF MAILING.

NOTICE TO MARYLAND RESIDENTS

IF YOU ARE A MARYLAND RESIDENT AND YOU ACCEPT AN OFFER TO PURCHASE THESE SECURITIES PURSUANT TO THIS MEMORANDUM, YOU ARE HEREBY ADVISED THAT THESE SECURITIES ARE BEING SOLD AS A TRANSACTION EXEMPT UNDER SECTION 11602(9) OF THE MARYLAND SECURITIES ACT. THE SHARES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF MARYLAND. ALL INVESTORS SHOULD BE AWARE THAT THERE ARE CERTAIN RESTRICTIONS AS TO THE TRANSFERABILITY OF THE SHARES.

NOTICE TO PENNSYLVANIA RESIDENTS

EACH PERSON WHO ACCEPTS AN OFFER TO PURCHASE SECURITIES EXEMPTED FROM REGISTRATION BY SECTION 203(d), DIRECTLY FROM THE ISSUER OR AFFILIATE OF THE ISSUER, SHALL HAVE THE RIGHT TO WITHDRAW HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER (IF ANY) OR ANY OTHER PERSON WITHIN TWO BUSINESS DAYS FROM THE DATE OF RECEIPT BY THE ISSUER OF HIS, HER OR ITS WRITTEN BINDING CONTRACT OF PURCHASE OR, IN THE CASE OF A TRANSACTION IN WHICH THERE IS NO BINDING CONTRACT OF PURCHASE, WITHIN TWO BUSINESS DAYS AFTER HE, SHE OR IT MAKES THE INITIAL PAYMENT FOR THE SECURITIES BEING OFFERED. IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES MADE PURSUANT TO A PROSPECTUS WHICH CONTAINS A NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(m) OF THE PENNSYLVANIA SECURITIES ACT OF 1972 (70 PS § 1-207(m)), YOU MAY ELECT, WITHIN TWO BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND A PROSPECTUS TO WITHDRAW FROM YOUR PURCHASE AGREEMENT AND RECEIVE A FULL REFUND OF ALL MONEYS PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A LETTER OR TELEGRAM TO THE ISSUER (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE PROSPECTUS) INDICATING YOUR INTENTION TO WITHDRAW. SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED SECOND

BUSINESS DAY. IF YOU ARE SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO EVIDENCE THE TIME WHEN IT WAS MAILED. SHOULD YOU MAKE THIS REQUEST ORALLY, YOU SHOULD ASK WRITTEN CONFIRMATION THAT YOUR REQUEST HAS BEEN RECEIVED. NO SALE OF THE SECURITIES WILL BE MADE TO RESIDENTS OF THE STATE OF PENNSYLVANIA WHO ARE NON-ACCREDITED INVESTORS IF THE AMOUNT OF SUCH INVESTMENT IN THE SECURITIES WOULD EXCEED 20% OF SUCH INVESTOR'S NET WORTH (EXCLUDING PRINCIPAL RESIDENCE, FURNISHINGS THEREIN AND PERSONAL AUTOMOBILES). EACH PENNSYLVANIA RESIDENT MUST AGREE NOT TO SELL THESE SECURITIES FOR A PERIOD OF 12 MONTHS AFTER THE DATE OF PURCHASE, EXCEPT IN ACCORDANCE WITH WAIVERS ESTABLISHED BY RULE OR ORDER OF THE COMMISSION. THE SECURITIES HAVE BEEN ISSUED PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENT OF THE PENNSYLVANIA SECURITIES ACT OF 1972. NO SUBSEQUENT RESALE OR OTHER DISPOSITION OF THE SECURITIES MAY BE MADE WITHIN 12 MONTHS FOLLOWING THEIR INITIAL SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION, EXCEPT IN ACCORDANCE WITH WAIVERS ESTABLISHED BY RULE OR ORDER OF THE COMMISSION, AND THEREAFTER ONLY PURSUANT TO AN EFFECTIVE REGISTRATION OR EXEMPTION.

NOTICE TO SOUTH CAROLINA RESIDENTS

THESE SECURITIES ARE BEING OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE SOUTH CAROLINA UNIFORM SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE SOUTH CAROLINA SECURITIES COMMISSIONER. THE COMMISSIONER DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NOTICE TO TEXAS RESIDENTS

THE SECURITIES OFFERED HEREUNDER HAVE NOT BEEN REGISTERED UNDER APPLICABLE TEXAS SECURITIES LAWS AND, THEREFORE, ANY PURCHASER THEREOF MUST BEAR THE ECONOMIC RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME BECAUSE THE SECURITIES CANNOT BE RESOLD UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER SUCH SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. FURTHER, PURSUANT TO §109.13 OF THE TEXAS SECURITIES ACT, THE FUND IS REQUIRED TO APPRISE PROSPECTIVE INVESTORS OF THE FOLLOWING: A LEGEND SHALL BE PLACED, UPON ISSUANCE, ON AN CERTIFICATES REPRESENTING THE SECURITIES PURCHASED HEREUNDER, AND ANY PURCHASER HEREUNDER SHALL BE REQUIRED TO SIGN A WRITTEN AGREEMENT THAT HE, SHE OR IT WILL NOT SELL THE SUBJECT SECURITIES WITHOUT REGISTRATION UNDER APPLICABLE SECURITIES LAWS, OR EXEMPTIONS THEREFROM.

EXECUTIVE SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Memorandum and the exhibits hereto. The Preferred Units offered hereby involve a high degree of risk. You should carefully review all information set forth herein, including the information under the heading "Risk Factors and Conflicts of Interest," prior to making a decision to invest in the Fund.

Certain statements throughout this Memorandum and the exhibits hereto regarding our financial position, business strategy, plans and objectives for future operations, are forward-looking statements which reflect the current views of our management rather than statements of historical or current fact. Such statements are inherently uncertain, and there can be no assurance that the underlying assumptions will prove to be valid. As such, actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors, including, but not limited to, those disclosed under "Risk Factors and Conflicts of Interest." You are cautioned not to place undue reliance on these forward-looking statements.

The Fund

Privera Real Estate Apartment Fund VII, LLC is a newly-formed Delaware limited liability company organized on December 4, 2019. The Fund was formed for the purpose of investing in and owning multifamily real estate and interests in multifamily real estate, with a primary focus on apartment communities located throughout the middle and southern portions of the United States, as further described herein.

As of the date of this Memorandum, the Fund has not yet acquired or entered into any agreements to acquire any specific assets. The Fund has identified four potential acquisition targets in Birmingham, Alabama; Rogers, Arkansas; St. Charles, Missouri; and Bixby, Oklahoma, which assets are described on Exhibit E hereto. Privera Real Estate and/or its affiliates have entered into agreements to acquire all four properties, which agreements are expected to be assigned to the Fund on or about the date of the initial closing on investments in this offering. There can be no assurance that the Fund will ultimately acquire any of the opportunities described on Exhibit E. As such, this is a "blind pool" offering with respect to the acquisition of any real estate assets or interests in real estate assets.

Throughout the term of this offering, the Fund will seek investment opportunities in accordance with its investment guidelines and strategies set forth in this Memorandum and the exhibits hereto. The Fund does not intend to update or supplement this Memorandum to describe potential or expected investments prior to acquiring such investments but may, in the discretion of the Manager, prepare periodic supplements to this Memorandum to provide information to prospective investors regarding assets acquired by the Fund prior to the Termination Date (as defined below).

The Manager

The Fund will be managed by Privera Real Estate Fund Manager VII, LLC, a newly-formed Delaware limited liability company. The Manager will be owned and controlled by certain of the principals and affiliate partners of Privera Real Estate , Inc., the Sponsor of this offering. The Manager is vested with excusive authority to manage, control and conduct the business of the Fund and all decisions affecting the Fund and its management will be made by the Manager, subject, in each case, to the approval of the Investment Committee with respect to acquisition and disposition of Fund assets. Prior to this offering, the Manager purchased 100 Common Units in the Fund for an aggregate purchase price of $100.00. The Common Units are the sole voting interests in the Fund and, as such, the Manager, as the sole Common Unit holder, will be the sole voting member of the Fund and will control the Fund.

Additional information regarding the Manager and its principals is included in the section of this Memorandum titled "Our Business—Management of the Fund."

Investment Committee

All decisions regarding the acquisition or disposition of any Fund investment will be made by the Fund's investment committee (the "Investment Committee"), and the Fund will not acquire or dispose of, whether directly or indirectly, any investment without the prior approval of the Investment Committee. The Investment Committee will initially be comprised of Robert Fransen, Jonathan Yanta, Terry Cook, Matthew Fransen, Erin Fransen, Greg Ribich, Charles Snyder, and John (Jerry) Nelson, IV. The Manager has the right to substitute or add additional members at its discretion.

Investment Committee decisions will be based upon majority approval of the members of the Investment Committee, with voting based on their respective percentage ownership interests of the Manager, as listed in the section of this Memorandum titled "Our Business—Management of the Fund." Members of the Investment Committee will serve at the discretion of the Manager and may be replaced by the Manager at any time for any reason. Information regarding the relevant background and experience of the members of the Investment Committee is set forth in the sections of this Memorandum entitled "Our Business—Management of the Fund" and "Investment Committee."

The Sponsor

Privera Real Estate , Inc., the sponsor of this offering ("Privera Real Estate " or the "Sponsor"), is a real estate investment, management and development firm focused exclusively on the multifamily sector of the commercial real estate market. The Sponsor was founded in 1992 with the acquisition of a modest, 46-unit apartment community in Mounds View, Minnesota that was purchased out of foreclosure. Today, the Sponsor's real estate portfolio includes more than 75 apartment communities across 15 states, comprising nearly 16,000 units.

The Sponsor has historically made a significant investment in each of its investment partnerships and has built a best-in-class property management division exclusively managing Privera Real Estate ' communities. The Sponsor's national network of regional offices provides local expertise that helps keep portfolio operations as efficient as possible.

Certain of the assets in Privera Real Estate ' real estate portfolio are owned by real estate investment funds previously established by the Sponsor. Additional information regarding the past performance of the Sponsor's prior investment vehicles is provided in Exhibit D to this Memorandum and in the section of this Memorandum titled "Our Business—The Sponsor—Past Performance of Sponsor Investment Vehicles."

Management Commitment

One or more affiliates of the Manager have committed to purchase at least 10% of all Preferred Units sold in this offering (the "Management Commitment"). Assuming the sale of all Preferred Units offered hereby, which cannot be guaranteed, the Management Commitment would represent an investment of at least $10,000,000. The Manager and its affiliates may, but have not committed to, make an investment in excess of $10,000,000. This Management Commitment will be included in the calculation of dollar amount of Preferred Units sold in this offering, including for purposes of determining whether the maximum offering amount has been reached. The Manager or its affiliates may, but are not required to purchase Preferred Units in excess of the Management Commitment.

An investment in the Preferred Units is highly speculative and involves substantial risks, including, but not limited to:

Preferred Unit holders having limited control over the Fund;
The Manager having limited duties to the Preferred Unit holders;
Various risks inherent in real estate investing;
Risks generally associated with owning, developing, financing and operating real estate;
Risks related to the cost of compliance with laws, rules and regulations applicable to the Fund;
Limited diversity of investment;
Lack of public market for the Preferred Units;
Lack of liquidity of the Preferred Units;
The existence of various conflicts of interests among the Fund, the Sponsors the Manager and their respective affiliates; and
Investors may not realize a return on their investments in the short term, if at all.

In addition to the foregoing, you must carefully consider the risk factors described in the section of this Memorandum titled "Risk Factors and Conflicts of Interest."

	Price to Investors	**Sales Commissions and Expenses (1)(2)**	**Proceeds to Fund(2)**
Per Preferred Unit	$25,000	$125	$24,875
Maximum Offering (4,000 Preferred Units) (2)(3)	$100,000,000	$500,000	$99,500,000
Management Commitment		10% of Preferred Units	

(1) Members of the Manager will offer and sell the Preferred Units on the Fund's behalf, but will receive no special compensation for doing so. Additionally, the Fund has engaged BrokerBank Securities, Inc. ("BBSI"), a registered broker-dealer, to act as a non-exclusive placement agent to assist the Fund in selling Preferred Units in this offering. We have agreed to pay BBSI a commission equal to 7.0% of all capital invested by investors sourced by BBSI. The Sponsor has previously engaged BBSI to assist in sales of limited liability company interests in real estate investment funds sponsored by Privera Real Estate and, in connection with such engagements, BBSI has traditionally placed less than 5% percent of the capital invested in such funds. "Sales Commissions and Expenses" and "Proceeds to Fund" both assume the placement by BBSI of 5% of the Preferred Units offered hereby ($5,000,000 of Preferred Units) and the payment of an aggregate $350,000 commission in connection therewith. The dollar amount of Preferred Units to be placed by BBSI, and the aggregate commission paid to BBSI in connection therewith, are solely estimates and amounts actually paid could vary significantly. We may engage additional licensed broker-dealers as non-exclusive placement agents for this offering and such person or persons may be paid a commission and/or issued warrants to purchase Preferred Units of the Fund as compensation for sales of the Preferred Units. Any such cash fees and commissions will reduce the net proceeds received by the Fund in this Offering. See "Use of Proceeds" and "Plan of Distribution."

(2) Assuming all Preferred Units hereby are sold, which cannot be guaranteed, and after deducting fees and expenses payable in connection with the organization of the Fund and this offering. "Sales Commissions and Expenses" and "Proceeds to Fund" assume such fees and expenses will be $150,000, excluding any amounts paid to BBSI or any other placement agent. Such amount is solely an estimate and amounts actually paid could vary significantly.

(3) The Fund may, in the sole discretion of the Manager, increase the maximum dollar amount of the offering.

SUMMARY OF PRINCIPAL TERMS OF THE OFFERING

The Fund:

Privera Real Estate Apartment Fund VII, LLC, a newly-established Delaware limited liability company, was formed for the purpose of investing in and owning multifamily real estate and interests in multifamily real estate. The primary investment objectives are to provide investors a combination of annual cash flow returns and long-term capital appreciation through a portfolio of real estate assets.

As of the date of this Memorandum, the Fund does not own any assets. As such, this is a "blind pool" offering. Throughout the term of this offering, the Fund will seek investment opportunities in accordance with its investment guidelines and strategies set forth in this Memorandum and the exhibits hereto. The Fund does not intend to update or supplement this Memorandum to describe potential or expected investments prior to acquiring such investments but may, in the discretion of the Manager, prepare periodic supplements to this Memorandum to provide information to prospective investors regarding assets acquired by the Fund prior to the Termination Date (as defined below).

The Manager:

Privera Real Estate Fund Manager VII, LLC, a Delaware limited liability Company, will serve as the Manager of the Fund. The Manager's principal office is located in Minneapolis, MN. The Manager is vested with exclusive authority to manage, control and conduct the business of the Fund, and all decisions affecting the Fund and its management, other than those required to be submitted to the Investment Committee, will be made by the Manager. The Manager is controlled by certain principals and officers of Privera Real Estate , the Sponsor of this offering.

Targeted Capital; Offering Terms:

The Fund is targeting commitments for capital contributions aggregating $100,000,000 through its offering of Preferred Units (hereinafter defined) to accredited investors. The Fund may, in the sole discretion of the Manager, increase the maximum dollar amount of this offering.

The Preferred Units are being offered on a "best efforts, no minimum" basis, and there is no minimum number or dollar amount of Preferred Units we must sell before we may accept subscriptions and begin using proceeds received from investors. Proceeds received prior to our initial closing on subscriptions will be held in an interest bearing, segregated account. Preferred Return (as defined herein) will begin to accrue on investments by investors in the initial closing as of the date of the initial closing; provided that to the extent any investor's funds are received subsequent to the date of the initial closing, Preferred Return will not begin to accrue on such funds until such funds are received and accepted by the Fund.

This offering will terminate upon the earlier of (i) the date upon which the Fund has received and accepted subscriptions for the maximum amount of Preferred Units offered hereby (subject to the right of the Manager to increase the maximum offering amount in its discretion) or (ii) December 31, 2020, unless the term is extended by the Manager, in its sole discretion, for up to 90 additional days (as applicable, the "Termination Date"). If the Fund has not accepted any subscriptions for Preferred Units on or prior to the Termination Date, this offering will terminate, original subscriptions will be returned unaccepted and all amounts held by the Fund, if any, will be returned.

	The Fund reserves the right to amend or terminate this placement at any time for any reason. See "Plan of Distribution."
Price Per Preferred Unit:	$25,000
Minimum Investment Per Member:	The minimum required investment will be $50,000 per investor (2 Preferred Units), although investments of lesser amounts may be accepted from investors in the sole discretion of the Manager.
Preferred Units; General Terms; Limited Liability Company Agreement:	The rights, preferences and obligations of holders of Preferred Units, including the distribution rights and rights to allocations of Company profits and losses, are set forth in the Fund's Limited Liability Company Agreement, the form of which is attached hereto as Exhibit B (the "LLC Agreement"). The Preferred Units will be non-voting, and the Manager will control the business and operation of the Fund. The LLC Agreement also sets forth certain restrictions on the transfer of Preferred Units, and waivers of certain conflicts of interest between the Fund and the Manager. As a condition of our acceptance of your Subscription Agreement, you must become a party to and agree to be bound by the terms of the LLC Agreement. As such, you should carefully review the LLC Agreement prior to purchasing any the Preferred Units. For a summary description of certain material terms of the LLC Agreement, see "Limited Liability Company Agreement Summary" below.
Investor Qualifications:	The Preferred Units will be offered to and may be purchased only by "accredited investors," as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act, whose liquidity requirements are consistent with the Fund's LLC Agreement's provisions for distributions and who are able to bear tax liabilities generated in connection with ownership of the Preferred Units under circumstances where funds may not be distributed to meet such tax liabilities. Prior to purchasing Preferred Units in this offering, you will be required to complete the Subscription Package attached as Exhibit A, whereby you will make specific representations concerning your status as an accredited investor and may be required to provide additional documentation or supporting information to support such representations.
Use of Proceeds	The Fund intends to use the proceeds of this offering primarily to (i) acquire Fund investments, (ii) pay expenses of the Fund, including (a) commissions payable to BBSI in connection with placements of Preferred Units in this offering, (b) offering and organizational expenses and (iii) fees and reimbursements of the Manager and its affiliates, as further described in this Memorandum and (iii) fund reserves deemed reasonably necessary or appropriate by the Manager. For a more detailed description of the Fund's anticipated use of the proceeds of this offering "Use of Proceeds" below. See "Our Business" below for a description of the fees, reimbursements and other items of potential compensation payable to the Manager and its affiliates. See Exhibit C for a description of the Fund's target investment guidelines.
Term and Exit Strategy:	The term of the Fund is perpetual. The Manager currently anticipates that it will begin to wind down the Fund's business in eight to 12 years, though the Manager will determine the timing and manner of the termination of the Fund. The Manager has broad discretion as to the timing and method of disposition of Fund assets, which discretion includes, but is not limited to: selling all of the Fund's properties and making cash distributions to the Members; selling some

	of the Fund's properties and making cash distributions from such proceeds while retaining other properties; causing the Fund to participate in a tax-deferred 1031 exchange or similar transaction with respect to one or more of the Fund's assets; causing the Fund to be merged with another company (including an affiliate of Timberland Partners); contributing the Fund's properties to another company (including an affiliate of Privera Real Estate) in exchange for securities of that company and distributing such securities to the Members as an in kind distribution; conducting a so-called "UP REIT" transaction with a real estate investment trust (REIT) (including an affiliate of Privera Real Estate) in exchange for securities of the REIT and distributing such securities to the Members as an in kind distribution; or a combination of the foregoing.
Tax, Securities, and Other Regulatory Considerations:	The income tax consequences of an investment in the Preferred Units are uncertain and complex, and many consequences will not be the same for all taxpayers. As such, you should seek, and must depend upon, the advice of your tax advisor with respect to the tax consequences of your prospective investment in the Fund. In addition to tax matters, there are numerous securities law and other regulatory considerations that may materially affect your investment in the Fund. See "Tax, Securities, and Other Regulatory Matters" below.
Risk Factors:	An investment in the Fund involves special risks, including the risk of loss of the entire value of an investor's investment. See "Risk Factors and Conflicts of Interest" for a more detailed discussion of certain material risks involved with an investment in the Fund.
Conflicts of Interest:	The Manager is not obligated to devote its full time to the Fund's business. Furthermore, the Manager or any affiliate thereof may engage in or possess an interest in other business ventures of any nature or description, independently, or with others, and neither the Fund nor any Member shall have any rights in or to such independent venture or ventures, or the income or profits derived therefrom. Such interests or ventures may be in competition with the Fund's business. Engaging in such ventures or interests will not in any regard be construed as a violation or breach of fiduciary duty by such Member or its affiliates. In addition, the Fund may buy from or sell properties to entities controlled by the Manager, members of the Manager and/or the Sponsor. Any agreement between the Fund and an affiliate of the Manager, including the Sponsor, will contain terms at least as favorable to the Fund as the fair market terms offered by other similar companies to third-party providers of comparable services or products. See "Risk Factors and Conflicts of Interest."
Initial Acquisition Targets:	As of the date of this Memorandum, the Fund has not yet acquired or entered into any agreements to acquire any specific assets. The Fund has identified four potential acquisition targets in Birmingham, Alabama; Rogers, Arkansas; St. Charles, Missouri; and Bixby, Oklahoma, which assets are described on Exhibit E hereto. There can be no assurance that the Fund will ultimately acquire any of the opportunities listed on Exhibit E. As such, this is a "blind pool" offering with respect to the acquisition of any real estate assets or interests in real estate assets.

RISK FACTORS AND CONFLICTS OF INTEREST

An investment in the Preferred Units involves a very high degree of risk and should not be made by any person who cannot afford the loss of his, her or its entire investment. Prospective investors should carefully read these Risk Factors and Conflicts of Interest together with the Memorandum and the exhibits hereto and carefully consider the impact of the following risks, among others. The risks listed below provide examples of factors, uncertainties and events that may cause the actual results to differ materially from the expectations the Fund describes in the Memorandum. While these are material risks the Fund believes are important to consider, they are not the only risks facing the Fund.

The Memorandum and its appendices contain forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of the Fund's business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Forward-looking statements can be identified by words such as: "will," "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," and similar references to future periods. Examples of forward-looking statements include, among others, statements made regarding:

Expected terms and timing of closing on acquisitions of Fund assets.

Expected operating results, including estimated monthly rents, occupancy rates, and cash flow from the Fund assets.

Other plans and objectives relating to the future economic performance of the Fund and any Fund asset.

Implementation of the business plans of the Fund, including the strategy for acquisition, operation, market position, financial results and reserves, and any future sale of Fund assets.

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements, including our projections. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the risks described herein.

Risks Related to the Fund

We have no operating history. We and the Manager were formed on December 4, 2019. As such, neither we, nor the Manager, have operating histories upon which you may evaluate our or its current business and future prospects. Our potential for future profitability must be considered in light of the risks, uncertainties, expenses and difficulties frequently encountered by companies in the early stages of business development. We cannot be certain that we will be successful in achieving our goals. Nor can we be assured that we will ever be profitable.

The nature of the Fund's investment strategy is high-risk. Investment in the Fund requires a long-term commitment with no certainty of return. The Fund may invest in real estate-related assets that are experiencing or could experience financial difficulties that may never be overcome. There may be little or no cash flow available to the Members. Since the Fund may only make a limited number of investments and since many of the investments may involve a high degree of risk, poor performance by one or a few of the investments could severely affect the total returns to Members. This offering is a non-

specified asset offering and the investors will not have the opportunity to evaluate specific assets prior to investing.

The Fund has nominal assets, has not secured outside financing and may not be able to make distributions. As a new business, the Fund has nominal assets and has not secured any financing, including debt financing, outside of this, and subsequent, private placements. If we do pursue debt financing, we may not be able to secure it or secure it on terms favorable to us. Thus, we are dependent on the proceeds from this offering to make our initial real estate investments. If we are unsuccessful in securing enough investor subscriptions and/or possibly securing favorable debt financing, in order to make suitable acquisitions and to make other real estate investments, our business may be unsuccessful.

The principal investment objective of the Fund will be to make significant investments in assets with prospects for capital appreciation. It is anticipated that certain assets in which the Fund will invest will be leveraged and will not provide the Fund with any significant cash distributions until the underlying property is sold or refinanced. Accordingly, the Fund may not be able to make any cash distributions to the Members, whether significant in amount or otherwise, other than in connection with the liquidation of its investments.

The Fund may encounter great difficulty or even a complete inability to locate suitable investments. An investor must rely upon the ability of the Manager and the Investment Committee to make investments consistent with the Fund's investment objectives and policies. Although the Principals of the Manager and affiliates thereof, including Privera Real Estate , have been successful in locating investments in the past in connection with other projects, they may be unable to find a sufficient number of attractive opportunities to invest the Fund's committed capital or meet its investment objectives. Recent market dynamics have resulted in significant in-flows of capital into multi-family apartments, creating greater competition among buyers and higher costs to acquire properties. In general, the Members will not have the opportunity to evaluate personally the relevant economic, financial, and other information that will be utilized by the Manager and the Investment Committee in the selection of investments.

There can be no assurance of projected results. The Manager will generally determine the appropriate capital structure for each investment in which the Fund invests based upon financial projections for the asset. Projected operating results will normally be based primarily on management judgments, although when in-kind contributions of property are made, the Fund expects it will obtain appraisals to assist in making projections. In all cases, projections are only estimates of future results based upon assumptions made at the time the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the accuracy of projections.

The real estate business is highly competitive. The Fund may experience competition from other real estate investors having comparable investment objectives. Potential competitors include, but are not limited to, other investment partnerships, corporations, financial investors, and strategic investors, inclusive of Privera Real Estate , and investors or other entities with more or better resources.

There is significant reliance on certain key persons, upon whom the Fund's objectives substantially depend. The success of the Fund is substantially dependent on certain key individuals, including the Principals and in particular, Robert Fransen. Should one or more of these individuals become incapacitated or in some other way cease to participate in the Fund, its performance could be materially and adversely affected. Neither the Fund nor the Manager maintains "key-man" life insurance on Mr. Fransen or any of the Principals.

Holders of Preferred Units will have no management control and no right to approve the assets purchased by the Fund. Investors in this offering will hold Preferred Units in the Fund and will

not take part or be entitled to participate in the management or control of the Fund's business or approve the Manager's or Investment Committee's decisions with respect to the Fund. In fact, they will have no voting rights except, in certain cases, with respect to the removal and replacement the Manager and as required by law. Management of the Fund will be controlled solely by the Manager. See the form of LLC Agreement attached hereto as Exhibit B.

There is significant risk associated with the Fund's indemnification of affiliated parties. The Fund will be required to indemnify Privera Real Estate , the Manager, members of the Investment Committee and certain persons affiliated therewith for losses, costs, liabilities and expenses incurred by such parties in connection with the business of the Fund and investment decisions made on its behalf, except for actions taken in bad faith or which constitute gross negligence or willful misconduct. Such liabilities may be material and may have an adverse impact on the returns to the Members. The indemnification obligation of the Fund may be payable from the assets of the Fund.

The Manager has broad discretion to determine the timing and method of winding down the Fund's business . The term of the Fund is perpetual but the Manager currently anticipates that it will begin to wind down the Fund's business in 8 to 12 years. The Manager has broad discretion as to the timing and method of disposition of Fund assets, which discretion includes, but is not limited to: selling all of the Fund's properties and making cash distributions to the Members; selling some of the Fund's properties and making cash distributions from such proceeds while retaining other properties; causing the Fund to participate in a tax-deferred 1031 exchange or similar transaction with respect to one or more of the Fund's assets; causing the Fund to be merged with another company (including an affiliate of Privera Real Estate); contributing the Fund's properties to another company (including an affiliate of Privera Real Estate) in exchange for securities of that company and distributing such securities to the Members as an in kind distribution; conducting a so-called "UP REIT" transaction with a real estate investment trust (REIT) (including an affiliate of Privera Real Estate) in exchange for securities of the REIT and distributing such securities to the Members as an in kind distribution; or a combination of the foregoing. Investments made in the Fund should be made with the intent to hold the investment for the full life span of the Fund, which may be perpetual.

There are significant conflicts of interest between the Fund, Manager and Privera Real Estate . The Manager, its principals and affiliates, including Privera Real Estate , are or may become committed to the continuing management of other real estate investments and other business ventures, including TPAF I, TPAF II, TPAF III, TPAF IV, TPAF V, and TPAF VI. The principals of the Manager and the Sponsor may also form new investment vehicles in the future. The Manager, its principals and affiliates will devote as much of their time to the business of the Fund as they believe, in their sole judgment, is reasonably required. Accordingly, there may be conflicts of interest between investments made by the Fund and other investments or business ventures in which the Manager's principals (or their affiliates) are participants. Any agreement between the Fund and an affiliate of the Manager, including Privera Real Estate , shall contain terms at least as favorable to the Fund as the fair market terms offered by other similar companies to third-party providers of comparable services.

The LLC Agreement authorizes the Manager to cause the Fund to engage in related party transactions with the Manager, the Sponsor and their respective affiliates. The LLC Agreement disclaims fiduciary duties of the members and the Manager, including the fiduciary duty of loyalty. Additionally, the members waive claims arising from conflicts of interest between the Manager, the Sponsor and the principals, officers and affiliates of each, and the Fund and its members, except for claims arising from grossly negligent or intentionally wrongful conduct that has been proven in a court of law.

Non-Exclusive Relationship

The Manager may be subject to various conflicts of interest in the performance of its duties and obligations for the Fund. The Manager and its affiliates, including Privera Real Estate , may provide similar services to other persons, some of whom may have investment objectives and policies similar to

those of the Fund. The Fund may therefore invest in real estate investments in which other accounts managed by the Manager and/or its affiliates also invest, including the Prior Funds. In addition, the Manager and/or its affiliates may buy or sell real estate investments from affiliates.

There can be no assurance that the Fund will be afforded investment opportunities comparable to those directed to Privera Real Estate , the Prior Funds in the past.

The Manager will devote as much of its business time to the Fund as it shall determine is appropriate. While the Manager believes that there is generally a commonality of interest among its various business responsibilities, conflicts may arise in certain situations.

Participation of the Manager in Organization of the Fund

The Manager and its Principals participated in the structuring and organization of the Fund. Thus, the selection of the Manager and the setting of the Manager's compensation were not the result of arms-length negotiation.

Affiliated Transactions

The Manager and persons and entities affiliated with the Manager may be appointed or utilized to provide services for real estate properties in which the Fund invests. Therefore, the selection of real estate investments may be influenced by the ability of the Manager and its affiliates, including Privera Real Estate , to provide other services for real estate properties. Moreover, the Manager and its affiliates may profit from investments even where the Fund loses all or a portion of its investment in such real estate properties.

With certain limitations, Privera Real Estate and the Manager will each receive 50% of: (i) an annual Asset Management Fee equal to 1.0% of the as of yet unreturned capital contributions; and (ii) a Disposition Fee of 2.0% of the sale price of all Fund property sold, without regard to third-party costs. Privera Real Estate will also be paid: (a) an Acquisition Fee equal to 1.0% of the purchase price of all property purchased by the Fund; (b) a Construction Management Fee of 5.0% of total renovation costs for properties requiring major renovation; (c) a Property Management Fee of 5.0% of collected revenue from each property it manages, which fee may be reduced, at the sole discretion of Privera Real Estate , based upon such factors as size and any special characteristics of the particular property. The receipt of the foregoing fees could influence the amount of money the Manager and/or Privera Real Estate agrees to pay for or sell or redevelop any particular property.

In addition to the fees described above, the Fund will be responsible for all other costs and expenses of the Fund, including legal, accounting, annual auditing, consulting, insurance, financing, taxes, and any other governmental fees. Financing fees may include a personal guarantee fee, if required, paid by the Fund to the Guarantor (likely a Principal), or a refinance fee paid by the Fund to the Manager or Privera Real Estate should a loan be refinanced during the ownership term.

Co-Investments; Joint Ventures

The Manager may allow co-investments by the Manager, the Principals, Privera Real Estate and affiliates of Privera Real Estate , including the Prior Funds. As a result, the Manager may have an incentive to cause the Fund to invest more money in an investment or invest in larger properties than it otherwise would if co-investments were not permitted. Any agreement between the Fund and an affiliate of the Manager, including Privera Real Estate , the Prior Funds, shall contain terms at least as favorable to the Fund as the fair market terms offered by other similar companies to third-party providers of comparable services or products.

Participation of the Manager in Organization of the Fund

The Manager and its affiliates participated in the structuring and organization of the Fund. Thus, the selection of the Manager and the setting of the Manager's ownership interest and compensation were not the result of arms-length negotiation.

Risks Related to an Investment in the Preferred Units

There is no market for our Preferred Units. There is currently no public market for the Preferred Units, and we can provide no assurance that one will develop in the future. Consequently, you may not be able to liquidate your investment in the event of any emergency or for any other reason. Such factors may also limit the price which you may be able to obtain for your Preferred Units.

There are restrictions on the transferability of the Preferred Units purchased in this offering. Member interests, including the Preferred Units, are subject to significant restrictions on transfer that, among other things, require the consent of the Manager as a condition to any sale, gift, pledge or other disposition. Members may not withdraw capital from the Fund other than to the extent of current income and disposition proceeds when and as distributed by the Fund. It is anticipated that the offering and sale of the Member interests in this offering will be exempt from registration pursuant to Regulation D promulgated under the Securities Act. There will be no public market for the Member interests and, accordingly, each purchaser must be prepared to bear the economic risk of an investment for an indefinite period. Member interests cannot be resold unless they are subsequently registered under the Securities Act or an exemption from such registration is available, and there is compliance with the applicable provisions of the LLC Agreement relating to restrictions on transfers of such interests.

Purchasers of Preferred Units run the risk of experiencing significant dilution. The Fund intends to conduct a series of closings under this offering, and may conduct subsequent offerings of Preferred Units. Members admitted at subsequent closings of this or other offerings will participate in existing investments of the Fund, which would also dilute the interest of existing Members therein.

Preferred Units are a long term investment and are highly illiquid. Investors may not be able to sell or redeem their interests if they may need to liquidate them, and should be prepared to hold their interests in the Fund as long-term investments.

Voting control of the Fund is held by the Manager and the Investment Committee, each of whom may have interests different from your interests. The Preferred Units have no right to vote on any matter submitted to the members of the Fund for vote, consent or approval, except, in certain cases, with respect to the removal and replacement the Manager and as required by law. Accordingly, after completion of the offering, the Manager and the Investment Committee will control the Fund regarding all issues.

The purchase price of the Preferred Units was arbitrarily determined. The purchase price for the Preferred Units being offered hereby was arbitrarily determined by the Fund and has no relationship to book value, assets, earning of the Fund or any other established criteria or quantifiable indicia for valuing a business. Accordingly, the purchase price of the Preferred Units should not be considered as an indication of the actual value of the Preferred Units. No representation is being made by the Fund or the Manager that the Preferred Units have or will have a market value equal to their purchase price or could be resold (if at all) at their original purchase price.

An investor's subscription will be irrevocable. The execution and delivery of the Subscription Agreement by a subscriber constitutes a binding offer to purchase Preferred Units. Once a prospective investor subscribes for Preferred Units, the prospective investor will not be able to revoke such subscription.

Prospective investors must rely upon their own expertise and/or the advice of their own legal, tax and business advisors in making an investment decision. No federal or state securities agency or any other regulatory authority or agency has made any finding or determination as to the fairness or suitability for investment, nor any recommendation or endorsement of, the Preferred Units. For this reason, in making an investment in the Preferred Units, each prospective investor should consult with its own attorney, tax and/or business advisor prior to purchasing any Preferred Units.

The Fund does not intend to use an independent escrow agent to hold subscription funds. The Fund does not intend to use the services of an independent escrow agent to hold the subscribers' funds prior to closing on subscriptions. Instead, subscription funds will be held in a separate general account of the Fund, and thus, such funds will be subject to the Fund's creditors even though the subscriber may not have been admitted as a member. As a result, any adverse claim against the Fund could significantly limit or reduce the funds which may be returned to prospective investors.

General Real Estate Risks

There are certain special considerations and risks inherent in the business of real estate investing that are not unique to the Fund but are common to all entities involved in the industry. Set forth below are some, but not all, of the special considerations and risks inherent in the business of real estate investing that you should consider prior to investing in our Preferred Units.

The Fund's assets will be subject to general and site- specific real estate risks. Real estate historically has experienced significant fluctuations and cycles in value, and specific market conditions may result in reductions in the value of real property interests. The marketability and value of the Fund's assets will depend on many factors including, but not limited to, the following:

Changes in general or local economic conditions, particularly in the event of a recession which results in significant employment losses across different sectors of the economy.

Changes in supply of, or demand for, competing properties near Fund assets.

An inability to secure sufficient financing on favorable terms.

General tightening of the availability of credit.

The promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety.

Authorizations or the adoption on the national, state or local level of more restrictive laws and governmental regulations, including more restrictive zoning, land use or environmental regulations and increased real estate taxes.

Failure to sustain anticipated occupancy levels.

Changes in real estate property tax rates and other operating expenses.

A continuation of terrorist activities or other acts of violence or war in the United States of America or abroad or the occurrence of such activities or acts that impact the Fund assets or that may impact the general economy.

Various uninsured or uninsurable risks.

Acts of God and natural disasters (e.g. earthquakes, floods, hurricanes or underinsured or uninsured natural disasters).

Trends in multifamily apartment real estate that may adversely affect future demand.

In addition, general economic conditions in the United States, as well as conditions of domestic and international financial markets, may adversely affect acquisition, operation and disposition of the Fund's assets, which would in turn adversely affect the Fund. If any of these occur, the Fund may not achieve its business plans.

Our business is subject to risks generally associated with real estate ownership. The investments will be subject to the risks inherent to the ownership and operation of real estate, including, without limitation, risks associated with the general economic climate, local real estate conditions, the market for residential leasing, geographic or market concentration, the ability of the Fund to manage the real properties, fluctuations in interest rates, and governmental rules, regulations and fiscal policies, including the effects of inflation and enactment of unfavorable real estate, environmental or zoning laws; hazardous material laws, uninsured losses and other risks. With respect to investments in the form of real property owned by the Fund, or through special purpose entities ("SPE's") managed and owned at least partially by the Fund, the Fund will incur the burdens of ownership of real property, which include payment of expenses and taxes, maintaining such property and any improvements thereon, and ultimately disposing of such property. The possibility of partial or total loss of Fund capital will exist and investors should not subscribe unless they can readily bear the consequences of a partial or total loss.

Real estate investments are generally long term investments and are highly illiquid. In addition, the Fund has a perpetual term and therefore no liquidation event for investors is certain. It is anticipated that some of the Fund's investments will be highly illiquid, and there can be no assurance that the Fund will be able to realize such investments in a timely manner or that any assets will be liquidated at all. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale by the Fund. Whether or not investments that the Fund makes are liquidated or not, investors should also note that the Fund's term is perpetual and as such, there is no set liquidation date for investors. Because real estate investments by their nature are often difficult or time consuming to liquidate and because there is no set liquidation date for the Fund itself, Members who commit capital to the Fund must be prepared to bear the economic risk of their investment for an indefinite period of time.

There may be potential construction delays and unforeseen cost overruns in the construction or rehabilitation of Fund assets. Our success will depend in certain cases, upon the successful construction, stabilization and the subsequent results of operations of certain Fund assets, which will be subject to those risks typically associated with real estate construction, ownership, operation and disposition. No assurance can be given that certain assumptions as to operating the Fund's assets or future levels of occupancy of the Fund's assets will be accurate, since such matters will depend on events and factors beyond our control and the control of the Manager.

Many real estate costs are fixed, even if income from an underlying asset decreases. A major risk of investing, directly or indirectly, in real estate or real estate related assets is the possibility that an asset will not generate cash flow sufficient to meet operating expenses. There can be no assurance that, at any time, the Fund's assets will be substantially occupied at favorable rents. In addition, projected occupancy rates may be achievable only at rental rates less than those projected or projected rental rates may not be achievable due to changes in market conditions or other reasons. Decreases in actual rental revenues from expected amounts or increases in operating expenses, among other factors, could result in the inability of the Fund and/or its assets to meet all of their respective cash obligations. Any decrease in rental revenues will reduce, and possibly eliminate, the amount of cash available for distribution by the Fund to its members, since operating expenses related to Fund assets, such as property taxes, utility costs, maintenance, insurance and debt service, do not decrease, and others, such as advertising and promotion,

may increase if gross rentals decrease. If the cash flow from Fund assets is not sufficient to meet their respective operating expenses and debt service or other obligations, the Fund may have to borrow additional funds to protect its investments or may need to sell Fund assets in a bad market or on disadvantageous terms. The Fund might also incur delays in collecting rents and enforcing its rights as landlord and might incur substantial legal costs. All of these scenarios would likely have a material adverse effect on the value of the Preferred Units.

Recent success of the apartment sector does not guarantee future success. The apartment sector of the real estate market has enjoyed success since 2009. Over this time, the value of multifamily real estate has increased. However, there can be no assurance that this trend will continue. If the rate of growth job growth were to slow, if construction of new multi-family projects exceeded demand in markets in which the Fund invests, or the economic recovery slowed, the value of the Fund's investments could be adversely affected.

Competition among buyers of multifamily assets may adversely affect our returns. Currently, the real estate market is highly competitive. There has been an increase in the amount of capital flowing into the U.S. real estate markets, including multi-family apartments, which has resulted in an increase in real estate values in the markets in which Privera Real Estate operates. We anticipate acquisitions for TPAF VII will be made at valuations higher than previous funds, which may adversely impact our results of operations and ability to make distributions.

Diversification of real estate investments will take time. The Fund intends to invest in a portfolio of multifamily properties diversified by location primarily, but not exclusively, within the Midwestern United States, with the goal to invest in properties that will satisfy a primary objective of enhancing the value of our investors' equity while providing cash dividends to its Members. It may take a significant amount of time for the Fund to achieve this diversification objective.

The Fund's success will be dependent, in part, on lease payments and occupancy levels. As currently planned, the Fund will seek to purchase apartment communities that will be leased properties, and the apartment market can be volatile. As such, the revenues of the Fund will depend upon the payment of lease amounts and attainment of occupancy levels commensurate with the Fund's expectations regarding profitability. There is no assurance that the Fund will be able to secure sufficient leases to reach expected occupancy levels, and there is no guarantee that even if such levels are reached, that lease payments will be made timely or in full. Low occupancy and/or late-paying or defaulting tenants would have a negative impact on the profitability of the Fund. Additionally, increased consumer confidence, job growth, favorable interest rates and stabilized home prices may result in some renters electing to leave apartments for home ownership, which could have a negative impact on our business and operating results.

Owning apartment properties is management intensive . Having poor or inadequate property management in place can negatively impact a property's cash-flow and value. While the Principals of the Manager and the property manager, Privera Real Estate , have prior experience in property ownership and management, such experience is not a guarantee that the investment decisions made by them will be successful, or that the performance of the Fund will be profitable for investors. The possibility of partial or total loss of Fund capital will exist and investors should not subscribe unless they can readily bear the consequences of a partial or total loss.

The Fund may not be able to sell its assets, and if assets are sold, members of the Fund may not realize appreciation on their investment. There can be no assurance of when the Fund's assets will, in fact, be sold or the terms of any such sale. A number of years ago, the real estate industry experienced a significant downturn, which resulted in significantly reduced demand and higher inventories of real estate properties. Market conditions such as these may adversely affect the ability of the Fund to sell its assets within the desired timeframe or on desirable terms. The price that can be obtained on the sale of a Fund asset will depend on many factors that are presently unknown, including the operating history, tax

treatment of the investment, demographic trends in the area and available financing. There is a risk that the Fund may not realize any significant appreciation on its investment in any Fund asset. Accordingly, an investor's ability to recover all or any portion of its investment under such circumstances will depend on the amount of funds so realized and claims to be satisfied therefrom.

Lease terminations or tenant defaults could adversely affect the income produced by the Fund's real estate assets. The success of the Fund's assets and, as a result, the Fund, materially depend on the financial stability of the tenants of Fund assets, any of whom may experience a change in their financial means at any time. As a result, the tenants of Fund real estate assets may fail to make rental payments when due or decline to extend or renew their leases upon expiration. Any of these actions could result in the termination of tenant leases, expiration of existing leases without renewal and the loss of rental income attributable to the terminated or expired leases. In the event of a tenant default, the Fund may experience delays in enforcing its rights as a landlord and may incur costs in protecting its investment and re-letting space.

Costs of complying with governmental laws and regulations may reduce the income and cash available for distribution from operations of Fund assets. Real property and the operations conducted on real property are subject to federal, state and local laws and regulations relating to, among other things, environmental protection, human health and safety, access by persons with disabilities, and taxation. The Fund could be subject to liability in the form of fines or damages for noncompliance with these laws and regulations, even if the Fund did not cause the event or events resulting in liability.

Environmental Laws Generally. Environmental laws and regulations generally govern wastewater discharges, air emissions, the operation and removal of underground and above-ground storage tanks, the presence, use, storage, treatment, transportation and disposal of solid hazardous materials, the remediation of contaminated property associated with the disposal of solid and hazardous materials and other health and safety-related concerns. Some of these laws and regulations may impose joint and several liability on tenants, owners or operators of real property for the costs to investigate or remediate contaminated properties, regardless of fault, whether the acts causing the contamination were legal, regardless of whether the contamination was present prior to a purchaser's acquisition of a property, and regardless of whether an owner knew of such contamination. The presence of contamination or the failure properly to remediate contamination at the site of any Fund development may adversely affect the ability to sell or lease those properties or to borrow funds by using the property as collateral. The costs or liabilities could exceed the value of the affected real estate. The uses of the real estate prior to the Fund's development of an asset thereon and the building materials used at the development are among the property-specific factors that will affect how the environmental laws are applied to a particular Fund asset. If the Fund is subject to any material environmental liabilities, the liabilities could adversely affect results of operations of the Fund and its ability to meet its obligations. The Fund cannot predict what other environmental legislation or regulations will be enacted in the future, how existing or future laws or regulations will be administered or interpreted or what environmental conditions may be found to exist on the site of any Fund development in the future. Compliance with existing and new laws and regulations may require the Fund to spend funds to remedy environmental problems. If not addressed, environmental conditions could impair the Fund's ability to sell, lease or re-lease the applicable Fund development in the future or result in lower sales prices or rent payments.

Hazardous Substances. The presence of hazardous substances or the failure to properly remediate these substances, may hinder the Fund's ability to sell or rent a Fund asset. Any material expenditures, fines, or damages that the Fund must pay would likely reduce the Fund's ability to make distributions to its members (including the Preferred Unit holders) and may reduce the value of an investment in the Fund and, therefore, an investment in the Preferred Units.

Americans with Disabilities Act. The Fund's assets will be required to comply with the Americans with Disabilities Act (the " ADA"), subject to the applicable local municipality's interpretation of ADA and ordinances and practices with respect to compliance with the ADA. The ADA requires that

"public accommodations" be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers, and non-compliance could result in imposition of fines by the U.S. government or an award of damages to private litigants, or both, which could be imposed upon the Fund. The Fund may be required to expend additional unbudgeted funds if it does not properly and fully comply with the provisions of the ADA, which could adversely affect the Fund's ability to make distributions to its members.

Other Regulations. The Fund will be required to develop and operate the Fund's assets in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to the Fund's assets. The Fund may be required to make substantial capital expenditures to comply with those requirements, and these expenditures could adversely affect the Fund's performance.

The Fund may be unable to maintain required governmental licenses and permits. The Fund may not be successful in maintaining any necessary license, permit or approval. The Fund could also become subject to civil or criminal penalties for operating without required licenses or registrations. These costs may be substantial and may materially impair the Fund's prospects, business plan, financial condition and results of operations.

There is no assurance that insurance will cover all losses. The Fund expects to obtain insurance coverage of the type and in the amount customarily obtained by owners of assets similar to the type of assets to be acquired by the Fund, including comprehensive casualty insurance, liability and fire and extended coverage, in amounts sufficient to permit replacement in the event a Fund asset sustains a total loss, subject to applicable deductibles. There are certain types of losses, however, generally of a catastrophic nature, resulting from, for example, floods and terrorist acts, that may be uninsurable or that may not be economically insurable. Inflation, changes in building codes and ordinances, environmental considerations, provisions in loan documents encumbering the Fund's assets and other factors also might make it economically impractical to use insurance proceeds to replace improvements at the Fund's assets if they are damaged or destroyed.

The availability of insurance coverage may decrease and the prices for insurance may increase as a consequence of significant losses incurred by the insurance industry. As a result, the Fund may be unable to renew or duplicate its current insurance coverage in adequate amounts or at reasonable prices. In addition, insurance companies may no longer offer coverage against certain types of losses, such as losses due to terrorist acts and toxic mold, or, if offered, the expense of obtaining these types of insurance may not be justified. The Fund therefore may be in violation of insurance covenants in connection with its debt obligations or may cease to have insurance coverage against certain types of losses and/or there may be decreases in the limits of insurance available. If an uninsured loss or a loss in excess of insured limits occurs, the Fund could lose all or a portion of the capital invested in its assets, as well as the anticipated future revenue from the Fund's assets, but still remain obligated for financial obligations related to such assets.

The Fund cannot guarantee that material losses in excess of insurance proceeds will not occur in the future. If the any Fund asset experiences a catastrophic loss, it could disrupt seriously the Fund's operations, delay revenue and result in large expenses to repair or rebuild such asset. Also, due to inflation, changes in codes and ordinances, environmental considerations and other factors, it may not be feasible to use insurance proceeds to replace an asset after it has been damaged or destroyed. Events such as these could adversely affect the Fund's results of operations and its ability to meet its obligations.

Risks Related To Debt Financing

Potential Reforms to Fannie Mae and Freddie Mac Could Adversely Affect Our Performance . There is uncertainty surrounding the futures of Fannie Mae and Freddie Mac (the "Government Sponsored Enterprises" or "GSEs"). Through their lender originator networks, the GSEs

are significant lenders both to the Fund and to buyers of the Fund's properties. Should the GSEs have their mandates changed or reduced, materially change their lending terms, lose key personnel, be disbanded or reorganized by the government or otherwise discontinue providing liquidity to our sector, it could reduce our access to secured debt capital and/or increase borrowing costs and could reduce our sales of assets and/or the values realized upon sale. Disruptions in the floating rate tax -exempt bond market (where interest rates reset weekly) and in the credit market's perception of the GSEs, which guarantee and provide liquidity for many of these bonds, have been experienced in the past and may be experienced in the future and could result in an increase in interest rates on these debt obligations. These or other disruptions with GSEs and their securities could adversely affect the liquidity or value of the Fund's assets.

The Fund may become highly leveraged and borrowings could subject the Fund's operations to interest rate fluctuation risks. Some of the Fund's investments may utilize a leveraged capital structure, in which case a third-party would be entitled to cash flow generated by such investments prior to the Fund receiving a return. Increased interest rates may adversely affect the ability of the Fund to successfully acquire investments and may adversely affect the performance of the Fund's investments once acquired. Use of borrowed funds to leverage acquisitions involves a high degree of financial risk and can exaggerate the effect of any increase or decrease in value. The possibility of partial or total loss of Fund capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.

We cannot assure our Members that we will achieve the net revenues, net earnings and cash flow from operations necessary to achieve sufficient liquidity and avoid expense reduction actions such as selling assets or consolidating operations, reducing staff, refinancing debt and/or otherwise restructuring or ceasing our operations.

UPON COMPLETION OF THIS OFFERING AND THE CLOSING ON ANY POTENTIAL BANK FINANCING, WE COULD BE HIGHLY LEVERAGED. IF CASH FLOWS FROM OPERATIONS ARE NOT SUFFICIENT TO MEET OUR OPERATIONAL NEEDS, WE MAY BE FORCED TO SELL ASSETS, REFINANCE DEBT, RAISE ADDITIONAL FINANCING FROM OUTSIDE INVESTORS (WHICH COULD DILUTE CURRENT INVESTORS), OR DOWNSIZE OR CEASE OUR OPERATIONS.

The Fund expects its assets to have significant debt service requirements. The Fund intends to employ leverage to fund the acquisition and operation of the Fund's assets. Use of leverage will subject the Fund's assets to risks normally associated with debt financing, including the risk that indebtedness on the Fund's assets will not be available on favorable terms. In addition, if there is a shortfall between the cash flow from an asset and the cash flow needed to service the indebtedness thereon, then the amount available for distributions to members of the Fund will be reduced. Assuming the Fund can incur mortgage indebtedness secured by its real estate assets, such debt increases the risk of loss because defaults on such indebtedness may result in the lender initiating foreclosure actions against the Fund's assets.

The Fund may require additional financing to fund acquisition and operation of its assets and may not be able to obtain financing in a timely manner and on acceptable terms. The Fund may need additional outside capital other than that contributed by investors in this offering. The Fund's ability to raise such additional funds will be restricted to varying degrees by the terms and conditions of any definitive loan documentation and the LLC Agreement of the Fund. There is no guarantee that the Fund would be able to identify and execute upon an outside source of financing on favorable terms or at all, and such a failure to attract a sufficient amount of additional debt or equity capital may impair the ability of the Fund to fund acquisition and operation of assets. If the Fund is unable to fund acquisition and operation of assets, the value of the Preferred Units would be materially and adversely affected.

There are risks associated with the use of leverage. The Fund will utilize a leveraged capital structure to finance its acquisition and operation of assets, in which case the mortgage lender and other financing providers would be entitled to cash flow generated by the underlying asset prior to the members of the Fund. It may also increase the risk that actual returns may be lower than targeted and that losses of capital may occur. Rising interest rates, downturns in the economy and other factors may adversely affect the ability of the Fund to successfully utilize leveraged financing and may also adversely affect the performance of the Fund's assets. All of these scenarios would likely have a material adverse effect on the value of the Preferred Units.

Additional Material Risks to Consider

Certain tax risks. An investment in the Fund entails significant tax risks, including: (i) the possibility that certain deductions claimed by the Fund may be disallowed and that any audit of the Fund's tax return may result in an audit of any member's tax return; (ii) the possibility that the Fund may have taxable income allocable to the Fund's members in an amount greater than the cash available for distribution; (iii) the possibility that the Fund may generate unrelated business taxable income for tax-exempt investors; and (iv) the possibility that future legislative, administrative or judicial interpretations of current law or future legislation will change the tax treatment of the transactions described herein. Each prospective investor should consult its own tax advisor.

Under the U.S. federal income tax rules applicable to partnerships, each member of the Fund will be taxed on such member's allocable share of the Fund's taxable income, regardless of whether the Fund distributes cash to its members. Although the Fund will endeavor to make distributions in an amount necessary to pay income tax on the Fund's income, the U.S. federal income tax on a Fund member's allocable share of the Fund's taxable income (or, in the case of an interest characterized for tax purposes as a "guaranteed payment") may exceed distributions to such Fund member.

Information returns filed by the Fund are subject to audit by the Internal Revenue Service. Any such audit could lead to adjustments, in which event the members of the Fund might be required to file amended U.S. federal income tax returns. Any such audit could also lead to an audit of a Fund member's tax return which may, in turn, lead to adjustments other than those relating to an investment in the Fund.

The IRS may not agree with our intended characterization of gain or loss on sale of Fund assets. In general, gain or loss on a sale or other disposition of Fund property that is a capital asset will be capital gain or loss and may qualify for favorable capital gain treatment except to the extent of depreciation recapture. If gain from the sale or other disposition of Fund property that is Code Section 1231 property exceeds losses from such sales or other dispositions, any such gain also may qualify for favorable capital gain treatment except to the extent of (i) depreciation recapture and (ii) any recapture of Code Section 1231 losses taken during the five most recently preceding tax years. If loss from the sale or other disposition of Code Section 1231 property exceeds gains, such loss will be an ordinary loss. The netting of Code Section 1231 gains and losses (if any) and the computation of any Code Section 1231 loss recapture (if any) will be effected at the Preferred Member level (taking into account each Preferred Member's Code Section 1231 gains and losses from other investments). Gain or loss on a sale or other disposition of Fund property that is neither a capital asset nor Code Section 1231 property will be ordinary income or loss. In general, the Fund intends to treat Fund property as Code Section 1231 property. As discussed above, the determination of whether property is Code Section 1231 property depends, in part, on whether such property is held by a taxpayer primarily for sale to customers in the ordinary course of such taxpayer's trade or business, which, in turn, depends on the facts and circumstances of each case. It is possible that upon a review by the IRS of a sale of Fund property the IRS could take the position that Fund property is ordinary property (rather than Code Section 1231 property). If the IRS were to take such position or a court were to agree with the IRS's position following a Fund challenge of such position, then any gain or loss on a sale or other disposition of Fund property that is found to be ordinary property would be ordinary income or loss. Such a result would likely have a material and adverse effect on the ultimate value of an investment in the Fund.

Tax Laws have changed and will likely continue to change during the term of the Fund. Changes to U.S. federal income tax laws could materially and adversely affect the Fund and its members. The 2017 federal tax legislation made substantial changes to the Code. The full effect of many changes made in the 2017 federal tax legislation is uncertain, both in terms of the direct effect on the taxation of an investment in the Fund and the indirect effect on the value of the Fund's direct and indirect assets or on market conditions in general. Furthermore, many of the provisions of the 2017 federal tax legislation will require guidance through the issuance of the U.S. Department of Treasury regulations or other Treasury or IRS guidance to assess their full application and effect. There may be a substantial delay before Treasury regulations or other Treasury or IRS guidance is issued, increasing the uncertainty as to the ultimate application and effect of the 2017 federal tax legislation on the Fund. There also may be technical corrections or other modifying legislation enacted with respect to the 2017 federal tax legislation, in 2019 or later years, the possibility or the effect of which cannot be predicted, and, if enacted, may be adverse to the Fund or its members.

Members may have income tax liability in excess of distributed cash flow. If and when the Fund's investments begin generating taxable income, such income likely will be taxed to the Members as ordinary income. Depending upon the circumstances of each Member, the income tax liability relating to a Member's investment in the Fund may exceed cash flow, if any, to be distributed from the Fund to the Member, and therefore, the Member may have to cover the income tax liability out of the Member's own assets. Investors are advised to seek counsel from their own tax advisor about the tax risks involved in making an investment in the Preferred Units.

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OUR BUSINESS

General

The Fund

Privera Real Estate Apartment Fund VII, LLC is a Delaware limited liability company formed on December 4, 2019. The Fund was formed for the purpose of investing in and owning multifamily real estate and interests in multifamily real estate, with a primary focus on apartment communities located throughout the Midwest and Southern regions of the United States.

As of the date of this Memorandum, the Fund owns no assets and has no agreements in place to acquire any specific assets. As such, this is a "blind pool" offering. We presently intend to hold each investment acquired by the Fund for approximately eight to 12 years from the date of acquisition. Despite our present expectation, the LLC Agreement provides that the Fund's term of existence will be perpetual until terminated or dissolved in accordance with the LLC Agreement. The Manager has the right at any time, without the consent of any Preferred Unit holder (but subject to the prior approval of the Investment Committee), to sell, convey, transfer or dispose of any or all of the Fund's assets .

Generally, it is our current intention to distribute sufficient funds to provide holders of Preferred Units an annualized, Preferred Return of 7.0% for their investment during the life of the Fund, plus a share of the Fund profits above this amount. To the extent not paid currently, such Preferred Return will accrue on investors' contributed and unreturned capital. As with any investment, however, we cannot guarantee our expected returns. See "Distribution Policy."

The Fund's principal executive office is located at 8500 Normandale Lake Boulevard, Suite 700, Bloomington, Minnesota 55437.

The Manager

The Fund will be managed by Privera Real Estate Fund Manager VII, LLC, a newly-formed Delaware limited liability company. The Manager will be owned and controlled by certain of the principals and affiliate partners of Privera Real Estate , Inc., the Sponsor of this offering. The Manager is vested with excusive authority to manage, control and conduct the business of the Fund and all decisions affecting the Fund and its management will be made by the Manager, subject, in each case, to the approval of the Investment Committee with respect to acquisition and disposition of Fund assets.

Prior to this offering, the Manager purchased 100 Common Units in the Fund for an aggregate purchase price of $100.00. The Common Units are the sole voting interests in the Fund and, as such, the Manager, as the sole Common Unit holder, will be the sole voting member of the Fund and will control the Fund.

The Sponsor

General

Privera Real Estate , Inc., the Sponsor of this offering, is a real estate investment, management and development firm focused exclusively on the multifamily sector of the commercial real estate market. The Sponsor was founded in 1992 with the acquisition of a modest, 46-unit apartment community in Mounds View, Minnesota that was purchased out of foreclosure. Today, the Sponsor's real estate portfolio includes more than 75 apartment communities across 15 states, comprising nearly 16,000 units.

The Sponsor has historically made a significant investment in each of its investment partnerships and has built a best-in-class property management division exclusively managing Privera Real Estate '

communities. The Sponsor's national network of regional offices provides local expertise that helps keep portfolio operations as efficient as possible.

Certain of the assets in Privera Real Estate ' real estate portfolio are owned by real estate investment funds previously established by the Sponsor. Additional information regarding the past performance of the Sponsor's prior investment vehicles is provided below and in Exhibit D to this Memorandum.

Past Performance of Sponsor Investment Vehicles

TPAF I

Initial expectations for Privera Real Estate Apartment Fund I, LLC ("TPAF I") were for that fund to have its capital deployed in apartment investments within 9 months. As the economy went into freefall in 2008 and real estate values declined, the management of TPAF I carefully selected its investments. While it took two full years to invest all of its $8,325,000 capital, that capital was leveraged with joint venture partners into nearly $100,000,000 in eight acquisitions totaling 1,233 apartment units. The eight investments located in six different markets provide favorable diversification to the partners in TPAF I. They contain a blend of properties acquired for strong cash flow as well as value enhancement through renovations and repositioning. Each of the apartment communities in TPAF I is profitable as of the date of this Memorandum.

In April of 2014, TPAF I had its first liquidation event when it sold The Hamptons of Cloverlane in Ann Arbor, MI. TPAF I originally invested $900,000 for a 10% interest in the property with New York based Sterling American Properties in a joint venture partnership. In addition to the 10% interest, TPAF I was entitled to share in escalating levels of distributions (promotes) if the investment return on the property exceeded 12.5%. The property was purchased for $25,800,000 in August of 2008 and sold for $41,750,000, producing a 23.6% internal rate of return during the ownership period. TPAF I received liquidation proceeds commensurate with its 10% ownership interest plus an additional $1,498,351 in promotes. The total proceeds received equated to a 16.5% ownership interest in the property producing an internal rate of return of 33.6% on TPAF I's $900,000 investment. TPAF I paid a 40% return of capital to its preferred members following the sale.

TPAF I, which began in 2007, has paid a return to preferred members since inception of 23.27% through September of 2019, which includes a 25% return of capital paid following a refinance of a property in the third quarter of 2012, a 40% return of capital in 2014 following the sale of The Hamptons of Cloverlane, and the remaining 35% return of capital in December of 2018 following the refinance of two additional properties.

Having returned 100% of the original capital contributed and exceeding the 13% IRR hurdle described in the TPAF I's waterfall, the Preferred Members are now enjoying 70% of the total distributions declared by the fund each quarter. Management's estimated value of a TPAF I preferred unit as of September 30, 2019 was $48,300, up 93.2% from its original cost of $25,000. A summary of the returns paid of TPAF I, by year and in total, are included in Exhibit D hereto.

TPAF II

Privera Real Estate Apartment Fund II, LLC ("TPAF II") was formed and raised $12,600,000 in capital, with the final closing on the acquisition of properties occurring in May of 2012. Management of TPAF II invested all of the proceeds in apartment investments within 11 months. Management of TPAF AI has leveraged the proceeds into $54,000,000 in acquisitions of five properties totaling 806 apartment units. These investments contain a blend of properties acquired for strong cash flow and value enhancement through renovation.

TPAF II acquisitions include properties that were recently out of foreclosure (France 98 and Wyngate) in the Twin Cities, quietly marketed property (Wyndemere) in St Cloud, and management's first venture into the tertiary market of Tulsa, OK (The Lakes). TPAF II's management filled out TPAF II's portfolio with PARKOne in St. Louis Park, MN.

TPAF II has paid a return to preferred members since inception of 9.06% which includes a 15.9% return of capital paid following a refinance of a property in the fourth quarter of 2017. The unreturned capital balance is $10,600,000 as of the date of this Memorandum. Through the first three quarters of 2019, TPAF II has paid an average annualized distribution of 9% on the unreturned capital balance to the preferred members. Management's estimated value of a TPAF II preferred unit as of September 30, 2019 was $47,500, up 90% from its original cost of $25,000. A summary of the returns paid of TPAF II, by year and in total, are included in Exhibit D hereto.

TPAF III

Privera Real Estate Apartment Fund III, LLC ("TPAF III") was formed and raised $17,075,000 in capital between August 30, 2012 and January 29, 2013. Management of TPAF III invested all of the proceeds in apartment investments within 5 months of the final closing. Management of TPAF III has leveraged the proceeds into $81,500,000 in acquisitions of 5 properties totaling 1,263 apartment units. These investments contain a blend of properties acquired for strong cash flow and value enhancement through renovation.

Value-add opportunities were found by acquiring two properties out of foreclosure, by identifying undermanaged assets, and by leveraging Privera Real Estate ' reputation as an organization with a strong track record of closing its transactions. This reputation along with Privera Real Estate ' strong relationships with owners, brokers, and lenders allowed TPAF III to identify and acquire properties before they were widely marketed.

TPAF III has paid a return to preferred members of 17.01% since inception through September of 2019, which includes a $4,354,125 (25.5%) return of capital distribution following the refinance of Willowbend Apartments in St. Louis, Missouri in January of 2017 and a $3,585,750 (21%) return of capital distribution after adding a second mortgage to Westbury Apartments in Howell, Michigan in August of 2017.

Through the first three quarters of 2019, TPAF III has paid an average annualized distribution of 13.6% on the unreturned capital balance to the preferred members. The unreturned capital balance is $9,135,125 as of the date of this Memorandum. Management's estimated value of a TPAF III preferred unit as of September 30, 2019 was $45,700, up 82.8% from its original cost of $25,000. A summary of the returns of TPAF III, by year and in total, are included in Exhibit D hereto.

TPAF IV

Privera Real Estate Apartment Fund IV, LLC ("TPAF IV") was formed and raised $25,425,000 in capital between September 2013 and June 2014. Management of TPAF IV invested all of the proceeds in apartment investments within 4 months of the final closing. Management of TPAF IV has leveraged the proceeds into $100,000,000 in acquisitions of 8 properties totaling 1,758 apartment units. These investments contain a blend of properties acquired for strong cash flow and value enhancement through renovation.

TPAF IV has paid a return to preferred members of 14.70% since inception through September of 2019, which includes a $3,453,000 (13.6%) return of capital distribution in July of 2017 following the refinance of Park at Olathe Station in Olathe, KS and a $4,550,000 (17.9%) return of capital distribution after adding a second mortgage to Towne Park Troy, Ohio in May of 2019.

Through the first three quarters of 2019, TPAF IV has paid an average annualized distribution of 25.49% on the unreturned capital balance to the preferred members. The unreturned capital balance is $17,422,000 as of the date of this Memorandum. Management's estimated value of a TPAF IV preferred unit as of September of 2019 was $37,300, up 49.2% from its original cost of $25,000. A summary of the returns of TPAF IV, by year and in total, are included in Exhibit D hereto.

TPAF V

Privera Real Estate Apartment Fund V, LLC ("TPAF V ") was formed and raised $38,650,000 in capital between June 2015 and February 2016. Management of TPAF V invested all of the proceeds in apartment investments within 16 months of the final closing. Management of TPAF V has leveraged the proceeds into $175,000,000 in acquisitions of 10 properties totaling 2,135 apartment units. These investments contain a blend of properties acquired for strong cash flow and value enhancement through renovation.

TPAF V has paid a return to preferred members of 7.61% since inception through September of 2019. Management's estimated value of a TPAF V preferred unit as of September 30, 2019 was $31,000, up 24% from its original cost of $25,000. A summary of the returns of TPAF V, by year and in total, are included in Exhibit D hereto.

TPAF VI

Privera Real Estate Apartment Fund VI, LLC ("TPAF VI") was formed and raised $51,450,000 in capital between August 2017 and March 2018. All of the capital raised was invested in income producing real estate by October of 2018. Management of TPAF VI has leveraged the proceeds into $196,820,000 in acquisitions of 8 properties totaling 1,873 apartment units. These investments contain a blend of properties acquired for strong cash flow and value enhancement through renovation.

TPAF VI made its first distribution of 3.5% annualized in the third quarter of 2018 and most recently paid a distribution of 6.25% in September of 2019. In November of 2019, TPAF VI refinanced Brookes Edge in Cleveland, TN (Chattanooga MSA) and was able to distribute $3,500,000 to its preferred members. Following this transaction, the cumulative distributions paid to preferred members since inception is 6.52%. A summary of the returns of TPAF VI, by year and in total, are included in Exhibit D hereto.

THE PAST PERFORMANCE OF INVESTMENTS MADE BY THE SPONSOR AND ITS AFFILIATES, INCLUDING THE PAST PERFORMANCE REPORTED IN THIS MEMORANDUM AND ON EXHIBIT D HERETO SHOULD NOT BE VIEWED AS PREDICTIVE OF THE FUND'S OR MANAGER'S FUTURE PERFORMANCE. AS WITH ANY INVESTMENT, THERE CAN BE NO ASSURANCE THAT THE FUND'S INVESTMENT OBJECTIVES WILL BE ACHIEVED OR THAT AN INVESTOR WILL NOT LOSE ALL OR A PORTION OF HIS OR HER INVESTMENT.

Target Acquisition Guidelines and Geographic Focus

The Fund intends to target apartment properties priced between $5,000,000 to $40,000,000. The Fund may choose to enter into joint venture or other co-investment arrangements with third parties or Fund affiliates in connection with its acquisitions. The Fund anticipates that such arrangements would be entered into primarily with institutional investors for individual acquisitions priced in excess of $20,000,000 or for portfolios of properties being sold in a package.

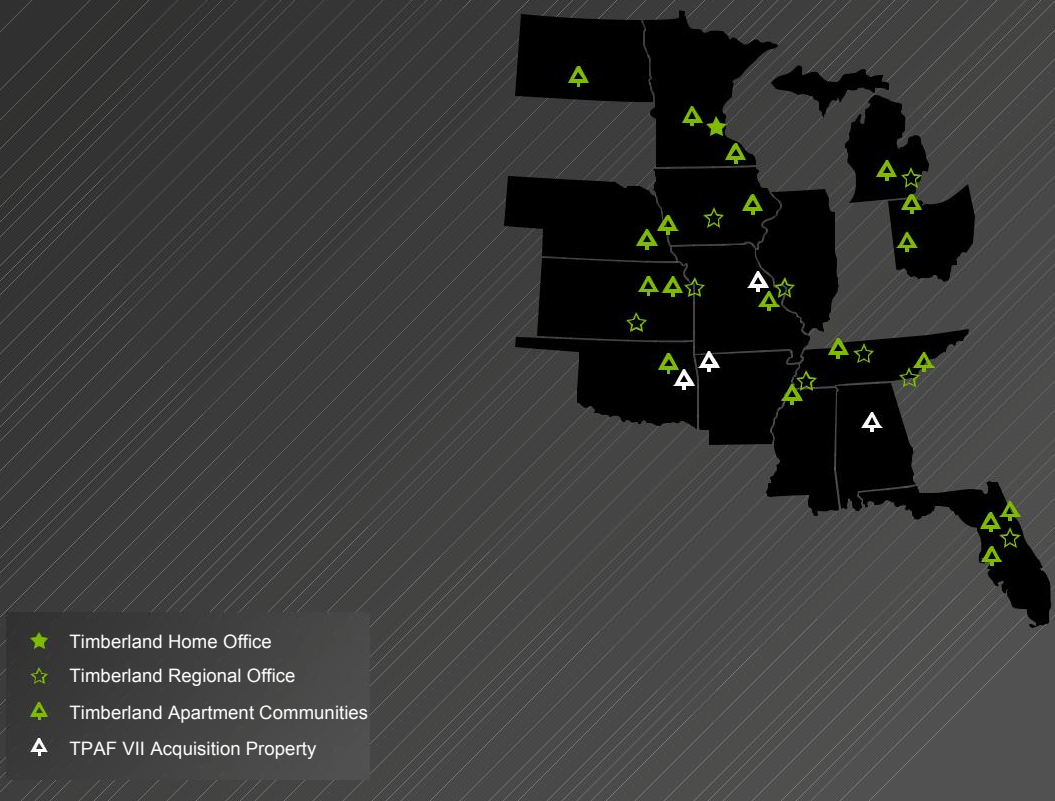
According to the Fund's investment guidelines, assets targeted for acquisition by the Fund will generally have at least 150 units and be built in the 1980's, 1990's or 2000's. Generally, asset locations will be rated Class B or higher and building quality will be rated Class B or higher. See Exhibit C for a description of the Fund's Target Acquisition Guidelines. Please note that the Target Acquisition

Guidelines set forth in this Memorandum and in Exhibit C hereto are not requirements. While the Manager and the Investment Committee intend to utilize the Fund's Target Acquisition Guidelines in evaluating potential property acquisitions, properties ultimately purchased by the Fund may possess characteristics outside of or different from those set forth in the Target Acquisition Guidelines.

The Fund intends to acquire multifamily apartment properties in major metropolitan areas, as well as in secondary and tertiary markets in the Midwest and Southeast regions of the United States, and other areas in which Privera Real Estate and its affiliates own properties, as further described herein. The Fund believes that opportunities exist in these target markets, as many institutional investors, real estate investment trusts (REITs) and other competitors for multifamily real estate investments continue to focus on primary markets in U.S. gateway cities and coastal markets to the exclusion of the Fund's target regions. In addition, Privera Real Estate has management offices located throughout the target regions, which the Manager believes will help facilitate successful acquisitions. While the Fund will focus primarily on these target regions, it will not be limited to acquiring assets only in these regions.

As of the date of this Memorandum, Privera Real Estate and affiliates own properties in the regions as indicated by the following map.

[MAP TO BE INSERTED HERE]



Investment Strategy

Generally, there are two types of apartment properties that the Fund will seek to acquire: (i) value-added property that we believe would benefit from a cost-effective capital infusion, including through renovation, enhanced curb appeal or better management; and (ii) stable property that already produces strong cash-flow that can be acquired at a favorable price or contains some kind of hidden value.

Management of the Fund plans to create an initial investment plan that will be tailored for each property that is considered for acquisition. These plans would be regularly worked on, evaluated and fine-tuned after a property is acquired. Privera Real Estate will serve as the Fund's property manager. Privera Real Estate ' business has been built on continually searching for properties with hidden value, and that hidden value may be found in a number of ways. For instance, acquiring a property located in a soon-to-be-expanding local employment market or some other underlying economic condition can offer hidden value not always anticipated by novice investors. Management of the Fund also believes that hidden value can be uncovered with a well-planned and timely renovation and asset repositioning. It can also be found in an under-performing asset which will benefit from a revamped and more aggressive management approach.

Privera Real Estate ' acquisitions team studies markets for job growth projections and monitors apartment sales activity to determine appropriate markets and properties for acquisitions, and management of the Fund believes that this will enable the Fund to acquire apartments that have strong locations in the selected target markets.

We believe that the Privera Real Estate property management team consists of seasoned professionals who focus on maximizing the income at each of the properties they manage. Their regional offices are located near those properties to effectively manage their acquisitions. We also believe that the Privera Real Estate asset management team has considerable experience, because they have overseen multi-million dollar renovation projects that are designed to enhance a property's appeal, rent revenue and value. Their stated primary goal is always to maximize the net cash-flow and long-term return on investment from each acquisition.

Certainly, returns received on individual properties will vary. However, the Fund is designed to minimize the fluctuation in investment returns through diversification. Management of the Fund intends to acquire several properties over the life of the Fund. Cash-flow from and value produced by Fund-acquired properties will be pooled together, thereby providing investors with an enhanced level of diversification.

We believe that the Fund will also possess a competitive advantage as it will have a pool of readily available investment capital which may allow it to act more quickly on favorable acquisition opportunities. As buyers become more scrutinized by sellers and brokers in an uncertain market, the Fund's readily available capital will distinguish it from less financially sound buyers.

Acquisition Financing Plan

Management of the Fund will seek to obtain the best available financing for purchased apartment properties that will enhance long-term return. Customary and commercially reasonable non-recourse exceptions commonly referred to as "carve-outs" may be required by lenders against the Fund or the Fund's Manager. However, these carve-outs will never attach liability to any of the Fund's Preferred Members. Carve-outs typically cover issues such as fraud, misrepresentation, covenant violations and environmental clean-up.

The typical loan-to-cost ratio that the Fund will seek on an apartment property acquisition will range from 70% to 75% of the total acquisition cost, and the Fund will consider risk parameters of the investment when determining a loan-to-cost ratio. Management of the Fund believes that apartment

properties will usually qualify for fixed interest rate debt provided by Fannie Mae or Freddie Mac. This debt is assumable to a qualified buyer and may provide an opportunity to sell certain apartment properties at premium pricing if interest rates should rise. Privera Real Estate has a long record of borrowing from Fannie Mae and Freddie Mac, from which experience the Fund expects to benefit.

Reinvestment Strategy

Net proceeds from any disposition or refinancing of a Fund asset and/or excess cash flow may be reinvested for purposes of acquiring new Fund assets in the discretion of the Manager, subject to the approval of the Investment Committee. Any such reinvestment may be in the form of a tax-deferred 1031 exchange or similar transaction with respect to one or more of the Fund's assets or in such other form as the Manager and the Investment Committee may deem appropriate and desirable.

Current Apartment Market Conditions

Management of the Fund believes that the next few years will continue to be strong for the apartment market. The apartment market has seen high occupancy rates since 2011. Demand for apartments remains strong as job growth and the formation of new households increase.

A national trend that continues to benefit apartment investment is that the nationwide home ownership ratio has declined from a record high of 69.4% in 2004 to low of 62.9% at the end of the second quarter in 2016. Since then, the homeownership rate has risen moderately to 64.8% at the end of the third quarter in 2019. The homeownership rate for our targeted renters, those people under 35, has declined by 7.2 percentage points from a peak of 43.6% in mid-2004 to 36.4% in mid-2019.

Attitudes toward home ownership has shifted regarding millennials. A recent Freddie Mac survey found 24% of renters "extremely" unlikely to ever own a house. Some 82% of millennials said renting is cheaper than buying, 15 percentage points higher than in February 2018, even though rent has nationally risen 20% faster at $1,008 a month average as of the second quarter in 2019 than inflation between 1980 and 2016.

Privera Real Estate ' results reflect these trends. Total revenue (reported as "Effective Gross Income" to investors) within Privera Real Estate ' affiliated portfolio has increased 3.05% in the nine months ended September 30, 2019 when compared to the previous year. This quarter follows a favorable year in 2018 where Privera Real Estate saw Effective Gross Income increase 4.05% over 2017. There are many factors contributing to the stronger market.

In addition, management believes there is potential demand for apartments due to the increase of renters and young unemployed or underemployed potential renters who have moved back home to live with their parents. While this bodes well for the multifamily sector as a whole, management remains particularly focused on the targeted "B" class of apartment market. In addition to the factors mentioned above, supply to meet this demand is generally delivered to the upper-end of the rental market. This is principally a result of two factors that increase the costs of new development. First, historically low unemployment, particularly in the trades, puts upward pressure on wages – the highest cost category in any new development. Second, lingering tariffs and trade-war talks are driving materials costs up faster than inflation. Together these increased costs mean that developers have to achieve greater rents to realize the same return on cost. In general, this means that most of the new development is Class -A, luxury product – the mid-to-high rise developments you've likely seen under construction throughout the country. The Class-B market – our target – has not seen an equivalent increase in supply.

Meanwhile, home prices, particularly at the entry-level, are maintaining their march upwards – due in large part to the same cost factors described above. The Case-Shiller National Home Price Index closed the third quarter of 2019 at the highest level on record, at 212.2. Many of these would-be home buyers cannot afford the luxury rental market either, and will therefore increase the renter pool in the

Class-B market. The net effect of increased demand and limited new supply should yield favorable rental rate increases and corresponding value increases in the years to come.

Management of the Fund

The Fund will be managed by our Manager, Privera Real Estate Fund Manager VII, LLC. The Manager will own 100% of the Common Units of the Fund and will thereby control all aspects of the day-to-day business and affairs of the Fund. Each of principals of the Manager (each, a "Principal") – Robert Fransen, Terry Cook, Jonathan R. Yanta, Charles Snyder, Matthew Fransen, Erin Fransen, Gregory Ribich and John (Jerry) M. Nelson, IV – is also a principal of the Sponsor and/or one or more Sponsor affiliates. Collectively, the Principals have an average of more than 25 years of varied and valuable real estate experience.

The Manager is owned and controlled by the Principals, each of whom serves as an officer of the Manager, as described below. The Principals, through their ownership and management of the Manager, will have substantial control of the Fund's business:

Name	Ownership % in the Manager	Position with the Manager
Robert L. Fransen	40%	Chief Executive Officer and President
Jonathan R. Yanta	16%	Vice President
Terry L. Cook	11%	Secretary and Treasurer
Matthew R. Fransen	11%	Vice President
Erin L. Fransen	11%	Vice President
Gregory A. Ribich	5%	Vice President
Charles Snyder	3%	Vice President
John M. Nelson, IV	3%	Vice President

Further, each of the Principals will initially serve on the Investment Committee, and will, in such capacity approve all acquisitions and dispositions of Fund assets. Each of the Principals will vote on the Investment Committee based on his or her respective percentage ownership interests of the Manager.

The Principals have a strong history of creating value for investors through acquisitions, financing, leasing and sales of investment real estate. The following is a summary of the relevant background and experience of the Principals. Additional information is available upon request.

Robert L. Fransen: Bob is the Founder and President of Privera Real Estate as well as the Managing Partner of each of the Privera Real Estate investment partnerships. Prior to forming Privera Real Estate in 1992, he was an apartment sales broker for CB Richard Ellis. He is a graduate of the University of North Dakota and holds the Certified Commercial Investment Member (CCIM) designation. Bob has been involved in real estate investment and brokerage since 1978.

Terry L. Cook: Terry is a Senior Vice President of Privera Real Estate . He is also a partner in a number of the Privera Real Estate investment partnerships. Terry was the Manager of the second property acquired by Privera Real Estate in 1993 and has played a major role in the company's growth and success since joining the company at that time. Terry attended Brown College and the University of Northern Iowa and holds a Real Property Administrator designation from the University of St. Thomas.

Jonathan R. Yanta: Jon was a Founding Partner of the first Privera Real Estate investment partnership and is a General Partner in a number of its investments. Jon is currently the Executive Director Brokerage Services at Cushman & Wakefield/Northmarq (formerly United Properties). Before

that he worked at Koll Real Estate (formerly The Shelard Group), where he consistently received numerous top producer awards: City Business 40-under-40, sales person of the month and the prestigious Eagle award. Jon earned his Bachelor of Science degree with concentrations in both finance and marketing from the University of St. Thomas. He is the recipient of both the Certified Commercial Investment Member (CCIM) and the Society of Industrial Office Realtor (SIOR) designations.

Charles Snyder: Charlie is a 34-year veteran of the real estate services and development business, and is actively involved in building a portfolio of owned self-storage facilities. Charlie has assisted Privera Real Estate in raising investment capital for 15+ years. He most recently performed worldwide tenant representation services for several Fortune 500 companies while employed at Trammell Crow Company and CBRE. Charlie holds a BBA and MBA from Texas A&M as well as an MS from the University of Southern California.

John (Jerry) M. Nelson, IV: Jerry is a founding member and 25% owner of Stratford Capital Group, a Boston, Massachusetts based multifamily real estate company. Since its founding in 2007, Stratford has successfully underwritten, sponsored and syndicated private equity in 225 multifamily rental apartment properties totaling over 25,614 apartment units in 33 states with a capitalized value of approximately $3.9 billion. Prior to forming Stratford Capital Group, Jerry was Chief Executive Officer of Franklin Capital Group, a real estate investment company specializing in the financing and development of apartment communities nationwide. Jerry is a 50% owner of Franklin Capital Group and currently serves as an Executive Vice President and Director. During his tenure there, Franklin Capital Group placed more than $350 million in equity capital in over 13,500 apartment units. From 1975 to 1987, Jerry was a founding partner and CEO of Winthrop Financial Corporation and ran the apartment acquisition group which purchased over 40,000 units. Jerry is a graduate of Yale University and holds an MBA from Harvard Business School.

Matthew Fransen: Matt is the Chief Investment Officer for Privera Real Estate and manages all acquisition, disposition, and financing activity for Privera Real Estate , including sourcing, underwriting, market analysis, and due diligence for new property acquisitions. Since joining Privera Real Estate in 2007, Matt has been responsible for the addition of over 13,500 apartment units to the apartment portfolio of Privera Real Estate and its affiliates. Before joining the Privera Real Estate team, Matt worked for Denver-based AIMCO, one of the largest apartment REIT's in the country. At AIMCO, Matt participated in the acquisition and disposition of over $4 billion in multifamily property sales nationwide (2002-2006). Following his tenure at AIMCO in 2006, Matt and a partner formed Slavin Multifamily Advisors, which focused on multifamily acquisitions in Houston, TX for institutional investment fund clients. Matt graduated from the Leeds School of Business at the University of Colorado-Boulder in 2002 with a Bachelor's degree in Finance.

Erin Fransen: Erin is the Chief Operating Officer and a Principal at Privera Real Estate . As COO of Privera Real Estate , she oversees the accounting, human resources, marketing, training, and information technology departments. Erin began her multihousing career at Privera Real Estate in 2013 after eight years in various roles at Target Corporation, the last of which was Digital Marketing Manager. Prior to becoming COO, she most recently served Privera Real Estate as an Asset Manager and previously held roles in operations, marketing, and investor relations, and has also handled Risk Management. Erin served on the Board of Directors for the Minnesota Multi Housing Association and was the liaison to MHA's Careers Task Force as well as a member of the Emerging Leaders Committee. Erin is a graduate of Boston College with degrees in Finance and Hispanic Studies.

Gregory A. Ribich: Greg is the Vice President of Investor Relations with Privera Real Estate . Greg joined Privera Real Estate in 2008, bringing over 20 years of apartment industry experience with him. Before joining Privera Real Estate , Greg was the Chief Financial Officer of two prominent Twin Cities apartment development/management companies. At Stuart Management Company (2004-2008), he arranged apartment financing transactions, maintained banking relationships and ran all aspects the financial department. While with Healey Ramme Company (1988-2004), Greg was involved in the

structured finance of various apartment development and refinance transactions. He began his career in public accounting as an auditor in 1983 focusing on real estate clients working for Berc and Fox Ltd. (1983-1986) and Delloite & Touche (1986-1988). Greg earned his Bachelor of Arts degree in Accounting from the University of St. Thomas in 1983. He is a Certified Public Accountant and an active member in the Minnesota Society of Certified Public Accountants.

Investment Committee

The Investment Committee is comprised presently of the Principals. Additional members may be added to the Investment Committee by the Manager. There are no parameters or requirements for persons to qualify as Investment Committee members. All decisions to invest in or dispose of Fund assets will require a majority endorsement of the Investment Committee. Investments in properties where the Fund will not have operational control, will require a majority approval vote of the Investment Committee, with voting based on their respective percentage ownership interests of the Manager as listed in the section of this Memorandum titled "Our Business—Management of the Fund."

The Investment Committee will review the final purchase agreement and the results of the due diligence and determine if there are any outstanding issues that must be discussed. If the asset(s) meets the return requirements and all issues have been adequately addressed, in each case, in the Investment Committee's discretion, the Investment Committee will vote on the acquisition.

Compensation and Fees to the Manager and its Affiliates

Fees Payable to the Manager and/or its Affiliates

The Fund will pay to each of the Manager and the Sponsor, a 50/50 portion of: (i) an annual Asset Management Fee of 1.0% of the aggregate amount of contributed and unreturned capital; and (ii) a Disposition Fee equal to 2.0% of the sale price of all Fund property sold, without regard to third-party costs. The Fund will also pay to the Sponsor: (i) an Acquisition Fee equal to 1.0% of the purchase price of all property purchased by the Fund; (ii) a Construction Management Fee of 5.0% of total renovation costs for properties requiring major renovation; (iii) a Property Management Fee of 5.0% of collected revenue from each property it manages, which fee may be reduced, at the sole discretion of the Sponsor, based upon such factors as size and any special characteristics of the particular property.

Fees for Additional Services

The Fund presently expects to engage one or more third parties, which may include the Sponsor and/or affiliates of the Sponsor or the Manager, to perform required functions on behalf of the Fund in addition to those described above. The terms of and fees paid under such contracts will be determined by the Manager in its sole discretion; provided, that, the terms of any such contract with any such affiliated service provider, and fees payable thereunder, will not differ materially from the terms of and fees payable under a similar contract entered into by the Fund with an unrelated third party in an arms-length transaction.

In addition to the fees described above, the Fund will be responsible for all other costs and expenses. In addition to the fees described above, the Fund will be responsible for all other costs and expenses of the Fund, including legal, accounting, annual auditing, consulting, insurance, financing, taxes, and any other governmental fees. Financing fees may include a personal guarantee fee, if required, paid by the Fund to the Guarantor (likely a Principal), or a refinance fee paid by the Fund to the Manager or the Sponsor should a loan be refinanced during the ownership term.

Reimbursements

Expense Reimbursements. The Fund will reimburse the Manager, the Sponsor, and their respective affiliates for all third-party, out-of-pocket expenses incurred by them solely for the benefit of the Fund, including expenses directly related to the purchase, sale and holding of assets, legal, administrative and accounting fees and other operating expenses of the Fund. The Fund may also advance funds to the Manager, the Sponsor or their respective affiliates to pay for costs incurred in connection with the pursuit of assets and acquisition of such assets.

Organizational and Offering Expense Reimbursement. The Fund will reimburse to the Manager (or its affiliate(s)) all costs and expenses incurred in connection with formation of the Fund and all legal fees, start-up fees, technology fees and other similar fees related to the organization of the Fund and this offering. We total organizational and offering-related expenses will be approximately $150,000 (this does not include any potential commissions payable to BBSI or any other registered broker-dealer engaged by the Fund to assist with the sale of Preferred Units in this offering).

"Catch-Up" and Carried Interest

After each respective Preferred Unit holder has received 100% of its accrued and unpaid Preferred Return and its unreturned capital contributions, the manager will be entitled to receive, in its capacity as the sole Common Member of the Fund:

(i) 50% of Fund distributions until such time as the Manager has received aggregate "catch-up" distributions equal to 20% of the sum of (a) the aggregate Preferred Return and "catch-up" distributions to the Preferred Unit holders and (b) all catch-up distributions to the Manager; and

(ii) a percentage of all additional Fund distributions based upon the internal rate of return to the Preferred Members represented by such distributions.

See "Limited Liability Company Agreement Summary—Distributions."

Exit Strategy

The primary goal of the Fund is to maximize the long term return to the investors. The term of the Fund is perpetual. The Manager currently anticipates that it will begin to wind down the Fund's business in 8 to 12 years, though the Manager will determine the timing and manner of the termination of the Fund in its sole and absolute discretion. The Manager has broad discretion as to the timing and method of disposition of Fund assets, which discretion includes, but is not limited to: selling all of the Fund's properties and making cash distributions to the Members; selling some of the Fund's properties and making cash distributions from such proceeds while retaining other properties; causing the Fund to participate in a tax-deferred 1031 exchange or similar transaction with respect to one or more of the Fund's assets; causing the Fund to be merged with another company (including an affiliate of Privera Real Estate); contributing the Fund's properties to another company (including an affiliate of Privera Real Estate) in exchange for securities of that company and distributing such securities to the Members as an in kind distribution; conducting a so-called "UP REIT" transaction with a real estate investment trust (REIT) (including an affiliate of Privera Real Estate) in exchange for securities of the REIT and distributing such securities to the Members as an in kind distribution; or a combination of the foregoing.

Investments made in the Fund should be made with the intent to hold the investment for the full life span of the Fund, which may be perpetual. In certain special circumstances, and subject to the Manager's discretion and the requirements of the LLC Agreement, those requiring an early exit may be accommodated. See "Limited Liability Company Agreement Summary."

Co-Investment Policy

The Fund may enter into one or more joint ventures or other co-investment arrangements in which the Fund acquires acquire a direct or indirect interest in an asset with one or more other investors (including, possibly, one or more affiliates of the Manager or the Sponsor). Such arrangements may allow the Fund to invest in more assets and provide increased diversification for the Fund and its investors. The Fund's partner(s) in any such arrangement may have certain rights to control decisions regarding the asset(s) acquired by the joint venture, including rights with respect to the sale or other disposition of such asset(s), and the Fund may not have sole control of the management of any asset acquired through a co-investment arrangement. Additionally, in the event that the capital requirements of one or more prospective investments exceed the capital approved by the Investment Committee to be invested in the applicable investment(s), or as otherwise determined by the Investment Committee in its discretion, the Manager or the Sponsor may create one or more funds or investment vehicles to provide an opportunity for investment of additional capital in the applicable investment(s) alongside the Fund (including investments by the Manager, the Sponsor, their respective affiliates, Fund investors or third parties). We expect that any such investment opportunity will be under common control with the Fund, and that the terms and conditions of each such investment in the underlying asset would be pari passu with the Fund's investment in the underlying asset. In any case, the terms and conditions of the applicable investment opportunity in the underlying asset will be no more favorable than those of the Fund's investment in the underlying asset.

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USE OF PROCEEDS

The net proceeds to be received by the Fund from this offering, after deduction of (i) an estimated $350,000 of sales commissions paid to BBSI in connection with anticipated placements of Preferred Units in this offering and (ii) an estimated $150,000 of organization and offering expenses, will be approximately $99,500,000 assuming we receive and accept subscriptions for the maximum $100,000,000 of Preferred Units offered hereby. Assuming a seventy-five percent (75%) loan-to-cost ratio, we anticipate that the Fund will obtain mortgage debt financing in connection with the acquisition of Fund assets in the approximate amount of $398,000,000, assuming sale of the maximum number of Preferred Units (not including any increase in the maximum offering amount by the Manager). Based upon the foregoing assumptions, we anticipate that aggregate offering and debt financing proceeds of $497,500,000 will be available to the Fund.

In addition, the Fund may, in the sole discretion of the Manager, increase this maximum dollar amount of this offering. We expect that any such increase, assuming the acceptance of subscriptions for all Preferred Units offered thereunder, would increase the dollar amount of offering proceeds and debt financing available to the Fund. Any offering and/or debt financing proceeds will be used by the Fund to pursue its investment strategy, acquire real estate assets meeting the Fund's target acquisition guidelines and to fund operations and working capital, including the payment of applicable costs, fees and expenses.

The anticipated offering and debt proceeds described above are estimates based on our current assumptions and, as such, may not accurately reflect the actual receipt or application of offering or debt financing proceeds. There can be no assurance that we will receive and/or accept subscriptions for the maximum dollar amount of Preferred Units offered hereby. We believe that the net proceeds from this offering, together with anticipated debt financing, should satisfy the Fund's cash requirements for the foreseeable future. However, changes in the planned operations of the Fund may require additional capital. There can be no assurance that additional capital will be available to the Fund upon terms acceptable to the Fund or the Manager when needed, if at all.

In addition to an anticipated (i) $350,000 of sales commissions paid to BBSI in connection with anticipated placements of Preferred Units in this offering and (ii) $150,000 of organization and offering expenses, as described above, the Fund will be responsible for all other costs and expenses of the Fund, including, but not limited to, legal, accounting, annual auditing, consulting, insurance, financing, taxes, and any other governmental fees. The dollar amount of sales commissions to be paid to BBSI and organization and offering expenses set forth above solely estimates and amounts actually paid could vary significantly. Further, the Fund has agreed to pay to the Manager certain fees in connection with, among other things, management of the Fund's assets and acquisitions and dispositions of properties by the Fund. Such fees are set forth in greater detail above under the heading "Our Business–-Compensation and Fees to the Manager and its Affiliates."

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DISTRIBUTION POLICY

Any determination as to the declaration and payment of distributions to Members will be made at the discretion of the Manager, pursuant to the terms of LLC Agreement. It is our current intention to distribute sufficient funds to provide holders of Preferred Units an annualized, Preferred Return of 7.0% for their investment during the life of the Fund, plus a share of the Fund profits above this amount. We anticipate that once the Fund is profitable, payment of such Preferred Return distributions will be made on a quarterly basis. Once this offering is closed, the Manager expects that the following 12 months (plus or minus 3 months) will be devoted to acquiring the Fund's investments. However, it should be understood that immediate profitability is seldom attained on value-add acquisitions, thus payment of the Preferred Return, while accruing from the close of this offering, will not be paid in full and on a quarterly basis until the profit from the Fund allows, in the Manager's sole discretion, for such payments to be made.

The Fund intends to acquire two types of properties:

> Those generally producing annual and immediate cash flow equal to or greater than 8% of the equity invested.
>
> Those whose value can be enhanced to create additional value through renovations. The Manager believes a favorable return can often be obtained through a refinance, generally in two or three years after the value is enhanced.

The Fund anticipates that approximately half of the acquisitions will be immediate cash flow producers and half will be acquired for their value-add potential. With value-add properties, cash flows will typically be reinvested in renovations for the first year or two of ownership, until value is enhanced to the extent that the Manager determines it is appropriate for distributions to be made to Preferred Members.

Generally speaking, the Fund anticipates that it will be able to distribute cash of 3% - 5% in years one and two to the Preferred Members. In year three and beyond the Fund expects cash distributions to be above 7% which will allow a "catch-up" to attain the 7% annual Preferred Return. The long-term targeted internal rate of return ("IRR") to be paid to the Preferred Unit holders is expected to exceed 12%; however, as with any investment, no guaranties can be made and the Fund's results may vary, possibly substantially, as a result of unforeseen developments We cannot assure any prospective investor our anticipated returns will be achieved and/or distributed to any investor in this offering. See the section of this Memorandum titled "Summary of the Limited Liability Company Agreement--Distributions" and the form of LLC Agreement attached hereto as Exhibit B for more details regarding distributions.

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DESCRIPTION OF SECURITIES

General

The Fund has authorized the issuance of two types of membership interests: common and preferred. The total number of Units that the Fund is authorized to issue 100 Common Units and an unlimited number of Preferred Units. Common Units are voting units and the Preferred Units are non-voting, except, in certain cases, with respect to removal and replacement of the Manager and as otherwise required by law.

Common Units

Prior to the offering, there were 100 Common Units issued and outstanding, all of which were purchased by the Manager for an aggregate purchase price of $100.00. The Manager is owned by 40% Robert Fransen, the President of the Manager and Privera Real Estate . The other Principals collectively own the remaining 60%.

Preferred Units

As of the date of the Memorandum, there were no issued and outstanding preferred units. Upon completion of this offering, there will be 4,000 Preferred Units issued and outstanding, assuming the receipt and acceptance of subscriptions for the maximum $100,000,000 of Preferred Units offered hereby, which cannot be guaranteed. The Fund may, in the sole discretion of the Manager, increase the maximum dollar amount of the offering, in which case the Fund may issue additional Preferred Units.

One or more affiliates of the Manager have committed to purchase at least 10% of all Preferred Units sold in this offering. Assuming the sale of all Preferred Units offered hereby, which cannot be guaranteed, the Management Commitment would represent an investment of at least $10,000,000. The Manager and its affiliates may, but have not committed to, make an investment in excess of $10,000,000. This Management Commitment will be included in the calculation of the dollar amount of Preferred Units sold in this offering, including for purposes of determining whether the maximum offering amount has been reached.

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SUMMARY OF THE LIMITED LIABILITY COMPANY AGREEMENT

In connection with an investment in the Fund, you will be required to sign the Subscription Agreement included in the Subscription Package attached hereto as Exhibit A, whereby you agree to become a party to the LLC Agreement entered into by and between the Fund and all of our members, and agree to be bound thereby, and to perform all obligations and observe all restrictions contained therein.

The LLC Agreement sets forth substantial restrictions and certain requirements with respect to the transfer of Preferred Units offered in this placement. The following is a summary of the LLC Agreement. It does not purport to be a complete description. In the event that any of the terms, conditions or other provisions of such LLC Agreement are inconsistent with or contrary to the descriptions or other terms of this Memorandum, the LLC Agreement will control. Accordingly, you should carefully review the terms of the actual LLC Agreement attached hereto as Exhibit B.

The Fund. We are a limited liability company organized on December 4, 2019 in accordance with the provisions of the Delaware Limited Liability Company Act.

Additional Capital Contributions. No additional capital contributions will be required over and above a member's initial capital contribution.

Limited Liability. The members will not be personally liable for any of our debts or be required to contribute any capital other than their initial capital contribution.

Management. All matters of general policy, the general management and day-to-day operations will be the responsibility of and will be decided by the Manager.

Investment Committee. All acquisitions and dispositions of Fund assets will be subject to the prior approval of the Investment Committee. The Investment Committee will initially be comprised of Robert Fransen, Jonathan Yanta, Terry Cook, Matthew Fransen, Erin Fransen, Greg Ribich, Charles Snyder, and John (Jerry) Nelson, IV. The Manager has the right to substitute or add additional members at its discretion. Investment Committee decisions will be based upon majority approval of the members of the Investment Committee, with voting based on their respective percentage ownership interests of the Manager as listed in the section of this Memorandum titled "Our Business—Management of the Fund." Members of the Investment Committee will serve at the discretion of the Manager and may be replaced by the Manager at any time for any reason. Information regarding the relevant background and experience of the members of the Investment Committee is set forth in the sections of this Memorandum entitled "Our Business—Management of the Fund" and "—Investment Committee."

Voting The LLC Agreement provides that the Preferred Units are non-voting and the Manager controls decisions for all business matters, except as required by law.

Removal and Replacement of the Manager. The Preferred Unit holders holding at least seventy-five (75%) of the Preferred Units then outstanding may remove the Manager for Cause by executing a written resolution that sets forth in detail the actions or inactions of the Manager which constitute the Cause which is the basis for the Manager's removal. Following execution of such written resolution by the Preferred Unit holders at least seventy-five (75%) of the Preferred Units then-outstanding, such written resolution shall be delivered to the Manager and each Member who is not a signatory to such resolution. The Manager shall have thirty (30) days from receipt of such written resolution to cure the action or inaction constituting the Cause upon which the Manager's proposed removal is based. The proposed removal of the Manager shall become effective only if the alleged actions or inactions giving rise to such Cause are not cured (or the adverse effects thereof are not substantially ameliorated) prior to expiration of such thirty (30) day period. For purposes of this paragraph, "Cause" shall mean (i) embezzlement or other act of dishonesty by the Manager with respect to the Fund's business, (ii) the gross negligence, willful misconduct or bad faith of the Manager, or (iii) an intentional

breach of any material provision of the LLC Agreement by the Manager, in each case as determined by a court of competent jurisdiction. In the event that a Manager is removed as the Manager of the Fund in accordance with the foregoing, a replacement manager shall be elected by the affirmative vote of the Preferred Unit holders holding at least seventy-five (75%) of the Preferred Units then-outstanding. The Preferred Unit holders will have no right to remove or replace the Manager except as set forth in this paragraph. In the event any Manager voluntarily resigns or otherwise relinquishes its duties as Manager under this Agreement, a replacement Manager shall be elected by the affirmative vote of the Common Unit holders holding at least a majority of the Common Units then-outstanding.

Preferred Return. Each holder of Preferred Units will be entitled to an allocation of a Preferred Return equal to 7.0% per annum on Preferred Unit holders' contributed and unreturned capital, calculated from the date of contribution to the Fund ("Preferred Return"). The Preferred Return on each Preferred Unit will accrue cumulatively from and including the date of issuance of such Preferred Unit to the date on which the Preferred Unit holder of such Preferred Unit has received aggregate distributions equal to 100% of such Preferred Unit holder's capital contributions with respect to such Preferred Unit. **Such Preferred Return is a distribution preference only and is not a guaranteed payment by the Fund**.

Distributions of Available Cash. Distributions of available cash flow of the Fund will be made, at the times and in the amounts determined by the Manager, in its discretion, pursuant to the following order of priority:

(a) First, 100% to the Preferred Unit holders, pro rata in accordance with, as to each Preferred Unit holder, the amount of such Preferred Unit holder's accrued but unpaid Preferred Return, until all accrued Preferred Return has been distributed;

(b) Second, if the Manager, in its sole discretion, determines that the distribution includes a return of Capital Contributions of the Preferred Unit holders, to the Preferred Unit holders, pro rata in accordance with their Unreturned Capital Contributions, the amount of the distribution that is a return of Capital Contributions of the Preferred Unit holders;

(c) Third, 50% to the Preferred Unit holders, as a class, pro rata in accordance with the Preferred Units held by each, and 50% to the Common Unit holders, as a class, pro rata in accordance with Common Units held by each, until such time as the Common Unit holders, as a class, have received cumulative distributions pursuant to this Paragraph (c) equal to 20% of the sum of the cumulative distributions that the Preferred Unit holders, as a class, have received pursuant to Paragraph (a) and this Paragraph (c) for the current fiscal year and all prior fiscal years and the Common Unit holders, as a class, have received pursuant to this Paragraph (c) for the current fiscal year and all prior fiscal years;

(d) Fourth, in any period (or portion thereof) prior to the date on which the IRR reaches 12%, (i) 80% to the Preferred Unit holders, as a class, pro rata in accordance with the Preferred Units held by each, and (ii) 20% to the Common Unit holders, as a class, pro rata in accordance with the Common Units held by each; and

(e) Fifth, in any period (or portion thereof) beginning on or after the date on which the IRR reaches 12%, (i) 70% to the Preferred Unit holders, as a class, pro rata in accordance with the Preferred Units held by each, and (ii) 30% to the Common Unit holders, as a class, pro rata in accordance with the Common Units held by each.

As the sole Common Unit holder, the Manager will be entitled to receive any and all distributions made to the Common Unit holder. The Manager will also hold Preferred Units, and will, in its capacity as a Preferred Unit holder, be entitled to receive distributions paid to the Preferred Unit holders.

The term "IRR" as used in the foregoing "Distributions of Available Cash" waterfall and the following "Distributions of Capital Event Proceeds" waterfall means the Fund's internal rate of return (as such term is described in the LLC Agreement).

The phrase "Unreturned Capital Contributions" means the total amount of capital contributions made by a member to the Fund, such amount to be reduced, as to Preferred Unit holders, by any capital contributions returned to the Preferred Unit holders pursuant to the provision described in paragraph (b) above.

Distribution of Capital Event Proceeds. Notwithstanding the LLC Agreement's provisions regarding distributions of available cash flow, "Capital Event Proceeds" from any "Capital Event" (each defined below) received and not reinvested by the Fund will be distributed among the Fund's members in the following order of priority:

(a) First, proceeds will be distributed 100% to the Preferred Unit holders, pro rata in accordance with, as to each Preferred Unit holder, the amount of such Preferred Unit holder's accrued but unpaid Preferred Return, until all accrued Preferred Return has been distributed;

(b) Second, proceeds, if any remain, will be distributed 100% to the Preferred Unit holders, pro rata in accordance with, as to each Preferred Unit holder, the amount of such Preferred Unit holder's Unreturned Capital Contributions, until all Preferred Unit holder Unreturned Capital Contributions have been distributed to the Preferred Unit holders;

(c) Third, proceeds, if any remain, will be distributed 50% to the Preferred Unit holders, as a class, pro rata in accordance with the Preferred Units held by each, and 50% to the Common Unit holders, as a class, pro rata in accordance with Common Units held by each, until such time as the Common Unit holders, as a class, have received cumulative distributions pursuant to Paragraph (c) of the "Distributions of Available Cash" waterfall set forth above and this Paragraph (C) equal to 20% of the sum of the cumulative distributions that (A) the Preferred Unit holders, as a class, have received pursuant to (i) Paragraphs (a) and (c) of the "Distributions of Available Cash" waterfall set forth above and (ii) Paragraph (a) and this Paragraph (c) of this "Distribution of Capital Event Proceeds" waterfall, in each case for the current fiscal year and all prior fiscal years and (B) the Common Unit holders, as a class, have received pursuant to Paragraph C of the "Distributions of Available Cash" and this Paragraph (c) for the current fiscal year and all prior fiscal years;

(d) Fourth, proceeds, if any remain, shall be distributed to the Common Unit holders, pro rata in accordance with, as to each Common Unit holder, the amount of such Common Unit holder's Unreturned Capital Contributions, until all Common Unit holder Unreturned Capital Contributions have been distributed to the Common Unit holders;

(e) Fifth, proceeds, if any remain, shall be distributed to all members with positive capital account balances, in proportion and to the extent of such positive capital account balances; and

(f) Thereafter, proceeds, if any remain, shall be distributed as follows:

(A) in any period (or portion thereof) prior to the date on which the IRR reaches 12%, (i) 80% to the Preferred Unit holders, as a class, pro rata in accordance with the Preferred Units held by each, and (ii) 20% to the Common Unit holders, as a class, pro rata in accordance with the Common Units held by each; and

(B) in any period (or portion thereof) beginning on or after the date on which the IRR reaches 12%, (i) 70% to the Preferred Unit holders, as a class, pro rata in accordance with the Preferred Units held by each, and (ii) 30% to the Common Unit holders, as a class, pro rata in accordance with the Common Units held by each.

"Capital Event" means any event determined to be Capital Event by the Manager, in its sole discretion.

"Capital Event Proceeds" means the net cash and/or property realized by the Fund from a Capital Event after deduction of all expenses and fees incurred and paid in connection with the Capital Event and application of the gross cash and/or property proceeds, at the sole discretion of the Manager, to the retirement of the indebtedness of the Fund and to the establishment and funding of reserves.

Restrictions on Transferability of Preferred Units. Except as otherwise expressly provided or permitted by the LLC Agreement, a member may not assign, transfer, sell, exchange, gift, hypothecate, mortgage, encumber or otherwise dispose of all or any portion of his or her membership interest without the approval of the Manager.

Termination and Dissolution. The LLC Agreement provides that the existence of the Fund commenced with the filing of our Certificate of Formation with the Delaware Secretary of State and shall continue thereafter until terminated according to applicable statutes and laws or unless otherwise terminated or dissolved as provided in the LLC Agreement.

Clawback. The LLC Agreement provides for an adjustment, or "claw-back," to distributions to ensure that Preferred Members receive aggregate distributions (including distributions at the time the Fund is liquidated, other than distributions under this "claw-back" provision) equal to the distributions as they would have been made under the LLC Agreement as if all distributions were made at liquidation of the Fund and no distributions had previously been made. Each Common Member is obligated on a joint, but not several, basis to contribute cash or other assets back to the Fund in order to satisfy this "claw-back" provision, subject to limitations on such amounts related to each Common Member's aggregate distributions, all as further specified in the LLC Agreement.

Indemnification. The LLC Agreement provides that the Fund will indemnify the Fund's Manager, officers, and employees, and any other Persons (including affiliates of the Manager or the Fund) as the Manager may designate (each, an "Indemnitee") from and against any and all losses, claims, damages, liabilities, whether joint or several, expenses (including legal fees and expenses), judgments, fines and other amounts paid in settlement, incurred or suffered by such Indemnitee, as a party or otherwise, in connection with any threatened, pending or completed claim, demand, action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, arising out of or in connection with the business or the operation of the Fund if the Indemnitee's conduct did not include acts or omissions that involved intentional misconduct or a knowing violation of law.

Waiver of Conflicts and Disclaimer of Fiduciary Duties. The LLC Agreement authorizes the Manager to cause the Fund to engage in related party transactions with the Manager, the Sponsor and their affiliates. The LLC Agreement disclaims fiduciary duties of the members and the Manager, including the fiduciary duty of loyalty. Additionally, the members waive claims arising from conflicts of interest between the Manager, its managers, officers and affiliates, and the Fund and its members, except for claims arising from grossly negligent or intentionally wrongful conduct that has been proven in a court of law.

Reports to Members. The Fund will furnish: (i) unaudited financial statements to the Members annually; (ii) unaudited statements for the first three quarters of each fiscal year; (iii) annual tax information necessary for each Member's tax returns; and (iv) an Asset Management Report at least quarterly.

CERTAIN TAX, SECURITIES AND OTHER REGULATORY

MATTERS Certain Material U.S. Federal Income Tax Considerations

PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES (INCLUDING STATE, LOCAL AND FOREIGN TAX CONSEQUENCES) OF AN INVESTMENT IN THE FUND. PREFERRED UNITS ARE BEING SOLD TO INVESTORS WHO HAVE REPRESENTED THEY ARE EITHER SOPHISTICATED IN THESE MATTERS OR ARE ABLE TO RETAIN AND CONSULT WITH KNOWLEDGEABLE TAX ADVISORS.

The following is a summary discussion of certain material U.S. federal income tax considerations relating to an investment in the Fund and does not purport to address all of the U.S. federal income or other tax consequences that may be applicable to any particular investor. Accordingly, each prospective investor is urged to consult the investor's tax advisor concerning the U.S. federal, state, local and foreign tax consequences of an investment in the Fund in light of the investor's own particular situation.

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This summary addresses only the treatment of initial members of the Fund that hold Preferred Units and that hold their Preferred Units as capital assets and that are U.S. taxable persons but does not address the treatment of any U.S. persons exempt from U.S. federal income taxation ("Tax-Exempt Members") under the Internal Revenue Code of 1986, as amended (the " Code"), any non -U.S. persons ("Foreign Members") or any persons that are taxed under special rules, such as dealers in securities, financial institutions, partnerships and life insurance companies.

THE DISCUSSION BELOW IS BASED UPON THE PROVISIONS OF THE CODE AND THE TREASURY REGULATIONS PROMULGATED UNDER THE CODE (THE "TREASURY REGULATIONS"), RULINGS AND JUDICIAL DECISIONS THEREUNDER, ALL AS OF THE DATE HEREOF. SUCH AUTHORITIES MAY BE REPEALED, REVOKED OR MODIFIED, POSSIBLY WITH RETROACTIVE EFFECT, SO AS TO RESULT IN U.S. FEDERAL INCOME TAX CONSEQUENCES DIFFERENT FROM THOSE DISCUSSED BELOW. THE FUND HAS NOT SOUGHT A RULING FROM THE INTERNAL REVENUE SERVICE ("IRS") OR AN OPINION OF LEGAL COUNSEL WITH RESPECT TO ANY OF THE TAX ISSUES AFFECTING THE FUND. THE DISCUSSION BELOW COVERS ONLY U.S. FEDERAL INCOME TAX MATTERS AND DOES NOT ADDRESS ANY OTHER U.S. FEDERAL OR ANY STATE, LOCAL OR FOREIGN TAX CONSIDERATIONS.

Treatment as a Partnership. The Fund should be classified as a partnership for U.S. federal income tax purposes. Subject to the discussion below of "publicly traded partnerships," the Fund, in general, should not be subject to U.S. federal income tax. Instead, for U.S. federal income tax purposes, each Preferred Member will be required to take into account such Preferred Member's allocable share of all items of the Fund's income, gain, loss, deduction and credit on such Preferred Member's own income tax return. The Fund will file a U.S. federal income tax partnership information return for each calendar year and will provide members of the Fund who hold Preferred Units with the information with respect to the Fund's operations necessary to file their U.S. federal income tax returns.

Generally, any "publicly traded partnership" (as defined in Section 7704 of the Code) is taxable as a corporation unless 90% or more of its annual gross income is composed of "qualifying income." The

Fund expects to come within the so-called "private placement" safe harbor provided in the Treasury Regulations to avoid being treated as publicly traded partnerships, which will require among other things that the number of members in Fund does not exceed 100 at any time.

The balance of this discussion assumes that the Fund will be treated as a partnership for U.S. federal income tax purposes.

Allocations of Income, Gain, Loss and Deductions. Each Preferred Member will be required to report on such Preferred Member's U.S. federal income tax return for each year during which such Preferred Member is a member in the Fund such Preferred Member's distributive share of the items of income, gain, loss, deduction and credit of the Fund, whether or not any cash is distributed to such Preferred Member during the taxable year. Thus, in any year, members of the fund who hold of Preferred Units may be allocated taxable income from the Fund (including upon a sale or a foreclosure of its properties) without receiving sufficient cash distributions from the Fund to pay the tax owed on such income, which would require members of the Fund who hold Preferred Units to satisfy their tax liabilities from sources other than their Preferred Units. Each item generally will have the same character and source as though the members of the Fund who hold Preferred Units realized the item directly.

For U.S. federal income tax purposes, A Preferred Member's allocable share of items of income, gain, loss, deduction or credit of the Fund will be governed by the LLC Agreement. The Manager believes that, for U.S. federal income tax purposes, the allocations in the LLC Agreement should be given effect and intends to prepare the Fund's tax returns based on such allocations. If the allocations made pursuant to the LLC Agreement are not respected, then the resulting allocations to, and the taxation of, a particular Preferred Member for U.S. federal income tax purposes could be less favorable than the allocations set forth in the LLC Agreement.

Basis. Each Preferred Member should (subject to certain limits discussed below) be entitled to deduct such Preferred Member's allocable share of the Fund's losses to the extent of such Preferred Member's tax basis in such Preferred Member's Preferred Units at the end of the tax year of the Fund in which such losses are recognized. A Preferred Member's tax basis in such Preferred Member's Preferred Units is, in general, equal to the amount of cash such Preferred Member has contributed to the Fund, increased by such Preferred Member's allocable share of income and liabilities of the Fund, and decreased by such Preferred Member's allocable share of reductions in such liabilities, distributions and losses.

Distributions. If cash distributed to A Preferred Member (including for this purpose marketable securities and any reduction in such Preferred Member's allocable share of Fund liabilities) exceeds the tax basis of such Preferred Member's Preferred Units, the excess will be treated as gain from the sale or exchange of such Preferred Member's Preferred Units (*See, "Sale or Disposition of Preferred Units*" below). Advances or drawings of cash or property against A Preferred Member's distributive share of income are not treated as immediate distributions, but rather are deemed to be current distributions made on the last day of the Fund's taxable year. Gain also may be recognized where the "hot asset" rule of Section 751 of the Code applies (*See, "Sale or Disposition of Preferred Units*" below) or under limited circumstances where A Preferred Member has contributed appreciated property to the Fund. Distributions in complete liquidation of A Preferred Member's Preferred Units are taxed under the general distribution rules applicable to current distributions. Unlike the case with regard to a current distribution, a distribute Preferred Member of a liquidating distribution may recognize a loss, but only if the liquidating distribution consists solely of cash, inventory and certain "unrealized receivables" and the amount of the cash and the basis to such distribute Preferred Member of the noncash assets is less than such Preferred Member's predistribution tax basis in such Preferred Member's Preferred Units.

Sale or Disposition of Preferred Units. A Preferred Member that sells or otherwise disposes of such Preferred Member's Preferred Units in a taxable transaction generally will recognize gain or loss equal to the difference, if any, between the Preferred Member's adjusted tax basis in such Preferred

Member's Preferred Units and the amount realized from the sale or disposition. The amount realized will include the Preferred Member's allocable share of the Fund's liabilities outstanding at the time of the sale or disposition as well as any cash proceeds from the sale or disposition. Thus, under certain circumstances, A Preferred Member's tax liability on a sale or other disposition of Preferred Units could exceed the cash proceeds from the sale.

Under the applicable U.S. federal income tax rules, a sale or other disposition of a partnership interest generally gives rise to capital gain or loss to the transferring partner. However, under Section 751 of the Code, capital gain or loss treatment is not available to the extent of the transferring partner's share of the so-called "hot assets" (assets that would generate ordinary income if sold or collected by the partnership). In essence, Section 751 of the Code treats the transferring partner's sale or other disposition of a partnership interest as a sale or other disposition of an interest in underlying partnership assets. To the extent the transferring partner is treated as disposing of the transferring partner's interest in "hot assets," the transferring partner recognizes ordinary income (and not capital gains). Thus, where the Fund's property includes certain depreciated property that has a fair market value in excess of the Fund's adjusted tax basis therein, if A Preferred Member sells or otherwise disposes of such Preferred Member's Preferred Units in a taxable transaction, a portion of such Preferred Member's gain attributable to such Fund property will be taxed at ordinary income tax rates.

Tax Rates. The maximum U.S. federal ordinary income tax rate applicable to individuals, estates, and trusts is 37% through 2025 and will be 39.6% thereafter, and, except as provided in the following sentence, the maximum U.S. federal income tax rate applicable to long-term capital gains realized by individuals, estates, and trusts is 20%. The maximum tax rate applicable to individuals, estates, and trusts on long-term capital gains from the sale or exchange of depreciable real property that qualifies as so-called "Section 1250 Property" is 25% to the extent that such gain is attributable to depreciation deductions taken with respect to such property. In addition, a Medicare tax of 3.8% is imposed on the lesser of an individual's, estate's, or trust's net investment income for the year or modified adjusted gross income in excess of (i) in the case of an individual, $200,000 ($250,000 for married filing jointly or a surviving spouse and $125,000 for married filing separately), and (ii) in the case of an estate or trust, $12,500. In calculating net investment income, there is taken into account income from interest, dividends, rentals, and income and gain derived from a trade or business where such trade or business is a passive activity with respect to the taxpayer. (*See, "Limitations on Deduction of Losses and Expenses*" below). The current maximum U.S. federal corporate rate on ordinary income and capital gains is 21%.

Alternative Minimum Tax. Each noncorporate Preferred Member will be required to take into account such noncorporate Preferred Member's distributive share of any items of income, gain, loss or deduction for purposes of the alternative minimum tax. The current minimum tax rate for noncorporate taxpayers is 26% on the first $175,000 (as adjusted for inflation, which inflation-adjusted amount for 2018 is $191,500) of alternative minimum taxable income in excess of the exemption amount (if any) that may apply to a noncorporate taxpayer and 28% on any additional alternative minimum taxable income.

Sale or Disposition of Property. On a sale or other disposition of Fund property, the Fund will recognize taxable gain to the extent that the sum of the proceeds received by the Fund plus the outstanding amount (including any accrued and unpaid interest) of any indebtedness assumed or taken subject to by the transferee, exceeds the Fund's adjusted tax basis in such property.

The character of any gain or loss on a sale or other disposition of Fund property will depend upon whether such property is a capital asset, "Code Section 1231 property," or ordinary property (*i.e.*, neither a capital asset nor Code Section 1231 property) . In general, Fund property will be a capital asset unless it is property held by the Fund primarily for sale to customers in the ordinary course of the Fund's trade or business or it is depreciable or real property used in the Fund's trade or business. In general, Code Section 1231 property is depreciable or real property used in a taxpayer's trade or business and held for more than one (1) year which is not property held by such taxpayer primarily for sale to customers in the

ordinary course of such taxpayer's trade or business. The determination of whether property is held by a taxpayer primarily for sale to customers in the ordinary course of such taxpayer's trade or business is based on the facts and circumstances of each case. In making such determination, courts have used the following factors, the presence of any one or more of which may or may not be determinative of a particular case: (i) the purpose for which the property was initially acquired; (ii) the purpose for which the property was subsequently held; (iii) the extent to which improvements, if any, were made to the property by the taxpayer; (iv) the frequency, number, and continuity of sales; (v) the extent and nature of the transactions involved; (vi) the ordinary business of the taxpayer; (vii) the extent of advertising, promotion, or other active efforts used in soliciting buyers for the sale of the property; (viii) the listing of property with brokers; and (ix) the purpose for which the property was held at the time of sale.

In general, gain or loss on a sale or other disposition of Fund property that is a capital asset will be capital gain or loss and may qualify for favorable capital gain treatment except to the extent of depreciation recapture. If gain from the sale or other disposition of Fund property that is Code Section 1231 property exceeds losses from such sales or other dispositions, any such gain also may qualify for favorable capital gain treatment except to the extent of (i) depreciation recapture and (ii) any recapture of Code Section 1231 losses taken during the five most recently preceding tax years. If loss from the sale or other disposition of Code Section 1231 property exceeds gains, such loss will be an ordinary loss. The netting of Code Section 1231 gains and losses (if any) and the computation of any Code Section 1231 loss recapture (if any) will be effected at the Preferred Member level (taking into account each Preferred Member's Code Section 1231 gains and losses from other investments). Gain or loss on a sale or other disposition of Fund property that is neither a capital asset nor Code Section 1231 property will be ordinary income or loss.

In general, the Fund intends to treat Fund property as Code Section 1231 property. As discussed above, the determination of whether property is Code Section 1231 property depends, in part, on whether such property is held by a taxpayer primarily for sale to customers in the ordinary course of such taxpayer's trade or business, which, in turn, depends on the facts and circumstances of each case. It is possible that upon a review by the IRS of a sale of Fund property the IRS could take the position that Fund property is ordinary property (rather than Code Section 1231 property). If the IRS were to take such position or a court were to agree with the IRS's position following a Fund challenge of such position, then any gain or loss on a sale or other disposition of Fund property that is found to be ordinary property would be ordinary income or loss.

Organizational Expenses. An election may be made by the Fund to deduct certain (subject to certain limitations and phase-outs) organizational expenses in the year in which the Fund begins business and ratably deduct the remainder of such expenses over the 180-month period beginning with the month in which the Fund begins business. However, syndication expenses must be capitalized and cannot be amortized or otherwise deducted.

Subject to the discussion in the following paragraph, the Fund intends to deduct its operating expenses. However, the IRS may take the view that such deductions by the Fund are treated as miscellaneous itemized deductions, which, for individuals, estates and trusts, may be subject to disallowances of (from 2018 through 2025) and limitations on (for 2026 and thereafter) the deductibility of miscellaneous itemized deductions (*See, "Limitations on and Disallowances of Deduction of Losses and Expenses* " below). Also, the IRS may take the view that part of such amounts must be capitalized and treated as part of the cost of an investment made by the Fund.

Construction Period. The Fund will be required to capitalize direct and indirect costs (including applicable fees) incurred in the construction of its real estate assets. Special rules apply to the capitalization of interest expense. Generally, the taxpayer must capitalize all interest that accrued during the production period with respect to production expenditures. The interest capitalization rules also may apply with respect to amounts contributed to a taxpayer that produces property by the taxpayer's owners, such as members of the Fund who hold Preferred Units' contributions to the Fund, and require one or

more of the taxpayer's owners, in turn, to capitalize, rather than to deduct, interest that such an owner otherwise incurs.

Depreciation. To the extent that the Fund holds any property for use in a trade or business or for investment, the Fund will be entitled to depreciation deductions with respect to such properties that have been placed in service by the Fund. Generally, nonresidential real property is depreciable on a straight-line basis over 39 years, and residential rental property is depreciable on a straight-line basis over 27.5 years. Personal property and land improvements are depreciable (i) 100% in the year placed in service through 2022 and declining 20% points for each of 2023 through 2026 (*i.e.*, 80% of the depreciable basis of property placed in service in 2023 being deductible in 2023 through 20% of the depreciable basis of property placed in service in 2026 being deductible in 2026), and (ii) as to the balance of the depreciable basis of the property (for any of 2023 through 2026) and for property placed in service in 2027 and thereafter, over a variety of periods, ranging from 3 years to 20 years and using the double declining balance method or the 150% declining balance method.

Special conventions, whose effect generally is to defer available depreciation deductions, apply to (i) the first year property is placed in service and (ii) property placed in service in the first year in which the Fund is engaged in a trade or business. No depreciation deductions are available with respect to land.

Section 168(h)(6) of the Code provides that where an entity that is taxed as a partnership has as members both tax-exempt entities and members that are not exempt from taxation, a portion of the property owned by the partnership, to the extent depreciable, will constitute "tax-exempt use property." Real property will be required to be depreciated over the greater of (i) 40 years as to nonresidential property or 30 years as to residential rental property or (ii) 125% of any long-term lease. Personal property that is "tax-exempt use property" must be depreciated, contrary to as described above, using the straight-line method over the greater of (i) the property's ADR midpoint life (12 years if the property has no ADR life) or (ii) 125% of the lease term. Under Section 168(h)(6) of the Code, unless the Fund's allocations of all Fund items of income, gain, loss, deduction, credit, and basis are determined to be "qualified allocations," any property owned by the Fund will be deemed to be "tax-exempt use property" to the extent of the Tax-Exempt Members' highest, proportionate share of any item of Fund income or gain. An exception is provided where the property is used in an unrelated trade or business and the distributive share of the tax-exempt partners are taxed under Section 511 of the Code determined without regard to whether the property is debt-financed. The Fund expects to have one or more Tax-Exempt Members. Accordingly, the Fund believes that it will not have "qualified allocations," and depreciation deductions to all members of the Fund who hold Preferred Units will be decreased accordingly.

If there is gain on the sale or other disposition of personal property, such gain is treated as ordinary income to the extent of prior depreciation deductions with respect to that property. As discussed above, if there is long-term capital gain from the sale or other disposition of depreciable real property, such gain is treated as so-called "Section 1250 Property" to the extent of prior depreciation deductions taken with respect to such property, and the maximum tax rate applicable to individuals, estates, and trusts on Section 1250 Property is 25%.

Limitations on and Disallowances of Deduction of Losses and Expenses. As discussed earlier, A Preferred Member may deduct such Preferred Member's share of Fund losses only to the extent of such Preferred Member's tax basis in such Preferred Member's Preferred Units at the end of a taxable year. In addition, the deduction of net losses by individuals (and in certain cases closely held corporations or personal service corporations) is subject to a number of limitations, including the at-risk limitations, the limitation on the deductibility of passive activity losses, the investment interest limitation and the disallowance of (for 2018 through 2025) and the limitation on (for 2026 and thereafter) an individual's deduction of miscellaneous itemized deductions.

Under the at-risk rules, partners who are individuals and certain closely held corporations may deduct their share of partnership losses and deductions only to the extent they are considered

"at risk," *i.e.*, generally only to the extent of their investment of cash and property and borrowed amounts for which they are personally liable or which are secured by personal assets other than their partnership interests. A special rule with respect to real estate allows a partner to include nonrecourse debt in the partner's "at risk" amount as long as that debt is borrowed from a governmental entity or from a person actively and regularly engaged in the business of lending money and provided certain other requirements are met.

Under Section 469 of the Code, noncorporate taxpayers and personal service corporations deriving net losses from "passive activities" are permitted to deduct such losses only to the extent of their income from other passive activities. Passive activity income does not include salaries and other compensation or "portfolio income," such as interest income, dividends and net capital gains not incurred in the ordinary conduct of a trade or business or not treated as passive activity income even though incurred in connection with a trade or business. Closely held corporations may offset passive activity losses against active business income but may not offset passive activity losses against "portfolio" income. Any passive activity losses that cannot be deducted currently under this limitation may be carried forward and deducted in subsequent years to the extent of the taxpayer's passive activity income in such years. A Preferred Member's distributive share of the Fund's income, gains and losses with respect to the Fund's rental real estate generally should be passive activity income and loss.

If the passive activities rules do not apply to a noncorporate Preferred Member, certain other rules may apply to limit such Preferred Member's deduction of (i) such Preferred Member's allocable share of interest incurred by the Fund to finance its assets and (ii) if applicable, interest incurred by such Preferred Member to finance the acquisition of such Preferred Member's Preferred Units. Interest paid or accrued on indebtedness allocable to property held for investment purposes, other than a passive activity, generally is deductible by a noncorporate taxpayer only to the extent such interest expense does not exceed the noncorporate taxpayer's net investment income. The deduction of any excess investment interest is carried forward to succeeding taxable years (subject to such deduction limitation) . Investment income includes gross income from property held for investment, such as dividends, interest and royalties. Investment income generally does not include dividends or capital gains qualifying for taxation at preferential tax rates unless the taxpayer elects to pay tax on such items at regular (ordinary) income tax rates. The possible application of the investment interest expense rules to a noncorporate Preferred Member to whom the passive activities rules otherwise do not apply will depend on the individual circumstances of any such Preferred Member, and any such Preferred Member should consult such Preferred Member's own tax advisor regarding the possible application.

For 2018 through 2025, a noncorporate Preferred Member (including a shareholder of an S corporation and the owner of a grantor trust) may not deduct miscellaneous itemized deductions (including, without limitation, investment advisory fees, tax preparation fees, unreimbursed employee expenses and subscriptions to professional journals). For 2026 and thereafter, a noncorporate Preferred Member may deduct such miscellaneous itemized deductions only to the extent such deductions exceed, in the aggregate, 2% of such noncorporate Preferred Member's adjusted gross income. The portion of each Preferred Member's share of the asset management fee and the property management fee may be treated as a miscellaneous itemized deduction. Accordingly, a noncorporate Preferred Member may not be permitted to deduct such noncorporate Preferred Member's allocable share of such expenses incurred through 2025 and, for 2026 and thereafter, may be permitted to deduct such allocable share only to the extent that the sum of such allocable share plus such Preferred Member's other miscellaneous itemized deductions exceeds 2% of such Preferred Member's adjusted gross income. In addition, for years 2026 and thereafter, itemized deductions, including any miscellaneous itemized deductions computed after the 2% limitation described above, are reduced by the lesser of (i) 3% of an individual's gross income over a certain threshold amount or (ii) 80% of the itemized deductions otherwise allowable for the taxable year. Corporate taxpayers (other than S corporations) are not affected by these rules regarding miscellaneous itemized deductions.

In general, for a tax year, a taxpayer may deduct business interest expense only to the extent of the sum of (i) the taxpayer's business interest income and (ii) 30% of the taxpayer's adjusted taxable income for the tax year. A taxpayer's adjusted taxable income for purposes of the business interest expense limitation is determined by allowing deductions for depreciation and amortization for tax years through 2021 but disallowing such deductions for tax years after 2021. Taxpayers who are engaged in a real property trade or business may elect not to be subject to the business interest expense limitation. If a taxpayer makes such election, the taxpayer then must depreciate any nonresidential real property over 40 years and any residential rental property, at least as to residential rental property placed in service after 2017 and possibly residential rental property placed in service in 2017 or earlier years, over 30 years. As to taxpayers that are taxed as partnerships for U.S. federal income tax purpose, the business interest expense limitation is applied at the partnership level, but special rules also apply with respect to allocations from a partnership to its partners and each partner's application of the business interest expense limitation rules with respect to such allocations and possibly the partner's own business interest expense. The Fund expects that, at some point, it will elect not to be subject to the business interest expense limitation.

For net operating losses that arise in tax years beginning after 2017, a taxpayer only may carry forward the net operating loss indefinitely to subsequent tax years. In any subsequent tax year, the amount of the net operating loss carryforward that the taxpayer may deduct is limited to 80% of the taxpayer's taxable income prior to the net operating loss carryforward deduction.

Additionally, after properly taking into account a noncorporate Preferred Member's deductions, losses, and credits that are otherwise allowable, such noncorporate Preferred Member may nevertheless be subject to taxation under the "alternative minimum tax," as discussed above, if such alternative minimum tax liability exceeds such noncorporate Preferred Member's regular U.S. federal income tax liability.

Qualified Business Income Deduction. For 2018 through 2025, a noncorporate taxpayer may qualify for a deduction of up to 20% with respect to such noncorporate taxpayer's business income (but effectively excluding wage or similar compensatory income and capital gains arising in business activities), qualified dividends from real estate investment trust, qualified dividends from cooperatives, and qualified income from publicly traded partnerships. As to partnerships and S corporations, the deductions applies at the partner or the shareholder level, and the activities of the partnership or the S corporation are allocated to the partners or the shareholders for purposes of each's determining whether the deduction may apply. The deduction applies regardless of whether a taxpayer is an active or a passive participant with respect to a business activity. The potential amount of a noncorporate taxpayer's deduction is subject to a number of limitations that depend on the nature of the noncorporate taxpayer's businesses and the amounts and the types of the noncorporate taxpayer's income, and, as such, the availability of the deduction and its possible amount will vary significantly based on a particular noncorporate taxpayer's particular tax situation. Each Preferred Member must consult such Preferred Member's own tax advisor regarding the possible availability to such Preferred Member of the qualified business income deduction.

Backup Withholding. Backup withholding of U.S. federal income tax may apply to distributions (or a portion thereof) made by the Fund to members of the Fund who hold Preferred Units who fail to provide the Fund with certain identifying information (such as the Preferred Member's tax identification number).

Tax Returns; Audits . The Fund's tax returns are subject to review by the IRS and other taxing authorities. There can be no assurance that these authorities will not make adjustments in the tax figures reported on the Fund's returns. Any adjustments resulting from an audit may require the Fund to pay income taxes, interest and penalties or A Preferred Member to file an amended tax return, pay additional income taxes and interest, which generally is not deductible, and penalties and might result in an audit of A Preferred Member's own tax return. Any audit of A Preferred Member's return could also result in

adjustments to such Preferred Member's income and deductions unrelated to this investment. Generally, upon an audit, the tax treatment of Fund items will be determined at the Fund level, and such treatment generally will be binding on the members of the Fund who hold Preferred Units.

2017 Tax Reform. Changes to U.S. federal income tax laws could materially and adversely affect the Fund and the members of the Fund who hold Preferred Units. The recently enacted federal tax reform bill, colloquially referred to as the Tax Cuts and Jobs Act (the "Act"), makes substantial changes to the Code. While portions of the foregoing discussion have been updated to reflect known changes in the Act (such as the highest applicable income tax rates), the full effect of many changes made in the Act is uncertain, both in terms of the direct effect on the taxation of an investment in the Fund and the indirect effect on the value of the Fund assets or market conditions generally. Furthermore, many of the provisions of the Act will require guidance through the issuance of Treasury Regulations or other IRS guidance to assess their full application and effect. There may be a substantial delay before such Treasury Regulations or other IRS guidance is issued, increasing the uncertainty as to the ultimate application and effect of the Act on the Fund. There also may be technical corrections legislation proposed with respect to the Act in 2018 or later years, the effect of which cannot be predicted and may be adverse to the Fund or the members of the Fund who hold Preferred Units.

State, Local and Foreign Taxes. The foregoing discussion does not address any state, local or foreign tax consequences of an investment in the Fund. Prospective investors are urged to consult their tax advisors regarding state, local and foreign tax matters.

Tax- Exempt Members. Tax-Exempt Members (such as individual retirement accounts, qualified 401(k) plans and other tax-exempt taxpayers) may realize unrelated business taxable income ("UBTI") as a result of an investment in the Fund. UBTI and other tax consequences to Tax-Exempt Members from the purchase, ownership and disposition of Preferred Units are beyond the scope of this tax discussion. Tax-Exempt Members should consult, and must depend on, their own tax advisors regarding the tax consequences of purchasing, owning and disposing of Preferred Units.

Except as otherwise provided above, no attempt is made to discuss any tax consequences related to an investment in the Fund by Tax-Exempt Members or Foreign Members. Prospective tax-exempt and foreign investors are urged to consult their tax advisors concerning their U.S. federal income tax consequences.

THE FOREGOING SUMMARY DOES NOT CONSTITUTE LEGAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT THE PROSPECTIVE INVESTOR'S TAX ADVISOR REGARDING THE TAX CONSEQUENCES UNDER U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS OF AN INVESTMENT IN THE FUND WITH SPECIFIC REFERENCE TO THE PROSPECTIVE INVESTOR'S OWN PARTICULAR TAX SITUATION.

U.S. Securities Laws

Securities Act of 1933

The offer and sale of Preferred Units will not be registered under the Securities Act, or under applicable state securities laws. The Preferred Units 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(c) of Regulation D promulgated thereunder for transactions not involving a public offering.

As a purchaser of the Preferred Units in a private placement not registered under the Securities Act, each Preferred Member will be required to represent, among other things, that he, she or it is acquiring the Preferred Units for investment purposes only and not with a view to or for resale, distribution or fractionalization of the Preferred Units, that the Preferred 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 will also be required to furnish verification documentation and information supporting that assertion, such as a confidential investor questionnaire and third-party verification certificate.

Further, each investor must be prepared to bear the economic risk of the investment for an indefinite period because the Preferred Units 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 LLC Agreement). It is not contemplated that registration of the Preferred Units under the Securities Act or other securities laws will ever be effected. There is no public market for the Preferred Units, and none is expected to develop.

During the course of the Offering and prior to a purchaser's investment in the Preferred Units, 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 Fund. The Manager, as a condition to the acknowledgment and acceptance of any subscription, purchase, continued holding or transfer of Preferred Units, 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 Fund 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 Fund intends to limit the number of persons who hold Preferred Units of record such that the Fund 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 Fund and the Preferred Members for the Fund to have 2,000 or more persons holding Preferred Units of record, the Fund 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 Fund registers as a public reporting company, the Fund would incur substantial additional operating expenses in connection with compliance with the reporting requirements under the Securities Exchange Act. In addition, the Fund 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 Fund 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 Fund to register as an investment company under the Investment Company Act. Accordingly, investors in the Fund 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 Fund will not change in a manner that would not adversely affect the status of the Fund under the Investment Company Act. If the Fund was required to register under the Investment Company Act, the Fund would be required to comply with numerous additional regulatory requirements and operational restrictions, which could adversely restrict operations, reduce the value of the Preferred Units and reduce distributions to Preferred 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 Fund and liquidate our business.

Investment Advisers Act of 1940

None of the Manager, the Sponsor or any of their respective affiliates currently are registered as an investment adviser 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 advisers. The Dodd-Frank Act mandates state oversight of investment advisers 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 advisers with less than $25,000,000 of AUM. Investment advisers with over $100,000,000 of AUM must register with the SEC unless they qualify for an exemption.

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

Registration as in investment adviser 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 adviser, 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, Privera Real Estate believes that the level of AUM that constitute "securities" will be under $25,000,000 and that registration is not therefore required. As a general matter, Privera Real Estate and the Manager believe that direct and wholly-owned, indirect interests in real estate (which constitute the vast majority of the existing portfolio of Privera Real Estate and its affiliates) are not "securities" under applicable case law.

Accordingly, investors in the Fund will not have the benefits of provisions of the Advisers Act available only to investors in funds advised by registered advisers unless and until Privera Real Estate or one of its affiliates registers under the Advisers Act.

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 Fund or the Manager could be requested or required to obtain additional information to verify the identity of potential and existing Preferred Members, obtain certain assurances from the Preferred Members subscribing for Preferred Units, 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 Fund and the Manager to comply with any Requirements to which any of the Fund 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 Preferred Member will be required to agree in the Subscription Agreement, and will be deemed to have agreed by reason of owning any Preferred Units, that it will provide additional information or take such other actions as may be necessary or advisable for the Fund (in the sole discretion of the Manager) to comply with any Requirements, related legal process or appropriate request (whether formal or informal).

Each prospective Preferred Member, by owning Preferred Units will be deemed to have consented, to disclosure by the Fund, 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 Fund 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 Preferred 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 Fund, in the sole judgment of the Manager, for anti -money laundering purposes. In the event of a delay or failure by the Preferred Member to produce any such requested information, the Fund may refuse to accept the prospective Preferred Member's investment. Each Preferred Member will also agree in its Subscription Agreement to indemnify and hold harmless the Fund, the Manager, and the Sponsor for any failure on the part of such Preferred 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 Fund expense to cause the Fund, 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 Fund and the Manager with these requirements, the Manager may request each Preferred Member to provide documentation verifying, among other things, such Preferred Member's identity and source of funds used to purchase its Preferred Units. Each Preferred Member will be required to represent that the funds contributed by it to the Fund are derived from legitimate and legal sources. Requests for documentation and additional information may be made at any time during which a Preferred Member holds Preferred Units. 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 Preferred Members that the information has been provided. The Fund reserves the right to require any payment or distribution to a Preferred Member to be paid into the account from which the Preferred Member's subscription funds originated.

The Fund and the Manager reserve the right to request such information as is necessary to verify the identity of a prospective Preferred Member and to request such identification evidence in respect of a transferee of Preferred Units. In the event of delay or failure by the prospective Preferred Member or transferee to produce any information required for verification purposes, the Fund 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 Preferred Units) any funds received will be returned without interest to the account from which such funds were originally debited, and/or remove the Preferred Member from the Fund.

The Fund and the Manager also reserve the right to refuse to make any distribution or other payment to a Preferred 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 Fund, the Manager, the Sponsor or their affiliates with any such laws or regulations in any relevant jurisdiction.

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PLAN OF DISTRIBUTION

The Offering

The Preferred Units are being offered on a "best efforts, no minimum" basis, and there is no minimum number or dollar amount of Preferred Units we must sell before we may accept subscriptions and begin using proceeds received from investors. To purchase Preferred Units in this offering, each investor must complete, execute and submit to the Fund a Confidential Investor Questionnaire and Subscription Agreement, the forms of which are included in the Subscription Package attached hereto as Exhibit A, and indicate on the Subscription Agreement the amount of such investor's desired investment in the Fund. Proceeds received prior to our initial closing on subscriptions will be held in an interest bearing, segregated account. Preferred Return will begin to accrue on investments by investors in the initial closing as of the date of the initial closing; provided that to the extent any investor's funds are received subsequent to the date of the initial closing, Preferred Return will not begin to accrue on such funds until such funds are received and accepted by the Fund.

This offering will terminate upon the earlier of (i) the date upon which the Fund has received and accepted subscriptions for the maximum dollar amount of Preferred Units offered hereby (subject to the right of the Manager to increase the maximum offering amount in its discretion) or (ii) December 31, 2020, unless the term is extended by the Manager in its sole discretion, for 90 additional days (as applicable, the "Termination Date "). If the Fund has not accepted any subscriptions for Preferred Units on or prior to the Termination Date, this offering will terminate, original subscriptions will be returned unaccepted and all amounts held by the Fund, if any, will be returned.

The Fund is offering the Preferred Units only to persons who are "accredited investors" as defined in Rule 501(a) of Regulation D under the Securities Act. The required Capital Commitment is $25,000 per Preferred Unit, and a minimum investment per individual investor of $50,000 (2 Preferred Units) is required, unless waived by the Manager in its discretion.

One or more affiliates of the Manager have committed to purchase at least 10% of all Preferred Units sold in this offering. Assuming the sale of all Preferred Units offered hereby, which cannot be guaranteed, the Management Commitment would represent an investment of at least $10,000,000. The Manager and its affiliates may, but have not committed to, make an investment in excess of $10,000,000. The Management Commitment will be included in the calculation of the dollar amount of Capital Commitments received in this offering, including for purposes of determining whether the minimum and maximum offering amounts have been satisfied.

Members of the Manager will offer and sell the Preferred Units on the Fund's behalf, but will receive no special compensation for doing so. Additionally, the Fund has engaged BBSI, a registered broker-dealer, to act as a non-exclusive placement agent to assist the Fund in selling Preferred Units in this offering. We have agreed to pay BBSI a commission equal to 7.0% of all capital invested by investors sourced by BBSI, which commissions will reduce the net proceeds received by the Fund in this offering. We may engage additional licensed broker-dealers as non-exclusive placement agents for this offering and such person or persons may be paid a commission and/or issued warrants to purchase Preferred Units of the Fund as compensation for sales of the Preferred Units. Any such cash fees and commissions will reduce the net proceeds received by the Fund in this Offering.

As a condition of the Fund's acceptance of any Subscription Agreement, each investor must agree to become a party to and to be bound by the terms of the LLC Agreement, attached hereto as Exhibit B, which governs the Fund's operation, management and governance.

Before this offering, there has been no market for the Fund's securities, and it is unlikely that such a market will develop in the foreseeable future. The offering price of the Preferred Units has been

arbitrarily determined by the Manager and is not related to operating results, assets, independent appraisals, net worth or other financial statement criteria of value.

Investor Qualifications

State Residency. Investment in the Preferred Units offered hereby is limited to persons who are bona fide residents of states in which this offering is exempt from registration, or in which the Preferred Units have been registered or qualified for sale. You will be required to identify your state of residence in the Subscription Agreement and to represent that you are purchasing the Preferred Units for your own account and not for the account of, or beneficial interest in, or with the intent to transfer to, any person not named therein.

Financial Suitability. An investment in the Preferred Units offered hereby is highly speculative, involves a high degree of risk and is not liquid. Accordingly, you should purchase the Preferred Units only if you have no need for liquidity of investment with respect to our securities and can afford the loss of your entire investment. The Fund will sell the Preferred Units only to persons who are "accredited investors," as such term is defined in Rule 501(a) of Regulation D under the Securities Act. You will be required to represent in the Subscription Agreement that you are able to bear the economic risk of the investment in the Preferred Units for an indefinite period of time and believe that the investment is suitable for you. In addition, you will be required to make specific representations concerning your status as an accredited or non-accredited investor and as to your individual net worth as it relates to your investment in the Preferred Units.

Accredited Investor Verification; Confidential Investor Questionnaire. The Preferred Units are being sold only to "accredited investors" ("Accredited Investors") as defined in Rule 501(a) of Regulation D promulgated under the Securities Act. As such, the Subscription Package attached hereto as Exhibit A includes a Confidential Investor Questionnaire for purposes of collecting information from you to determine (i) whether you qualify as an Accredited Investor, (ii) the manner in which you choose to verify to the Fund your status as an Accredited Investor (*i.e.*, verification through an online platform or independent third-party) and (iii) whether you otherwise meet the suitability criteria established by the Fund for investing in the Preferred Units.

It is possible that you were not required to submit verification of your status as an Accredited Investor in past Privera Real Estate offerings in which you have participated. However, the nature of this offering, together with changes made to Regulation D in September 2013, impose additional obligations on the Fund to verify that each investor is in fact an Accredited Investor. Accordingly, you must fully complete, sign and deliver the Confidential Investor Questionnaire to the Fund. Thereafter, the Fund will provide you with further instructions to complete your Accredited Investor verification process, based the responses provided in your Confidential Investor Questionnaire. The Fund will not consider your proposed investment until your status as an Accredited Investor has been properly verified.

By submitting a Confidential Investor Questionnaire, Subscription Agreement and any required supporting documentation, you understand and agree that the Fund and the Manager may present your documentation to such parties as they deem appropriate to establish that the issuance and sale of the Preferred Units (a) is exempt from the registration requirements of the Securities Act or (b) meets the requirements of applicable state securities laws.

You understand that the Fund and the Manager will rely on your representations and other statements and documents included in the documentation in determining your status as an Accredited Investor, your suitability for investing in the Preferred Units and whether to accept your subscription for the Preferred Units.

The Fund and the Manager reserve the right, in their sole discretion, to verify your status as an Accredited Investor using any other methods that they may deem acceptable from time to time. However,

you should not expect that the Fund or the Manager will accept any other such method. The Fund and the Manager may refuse to accept your request for investment in the Preferred Units for any reason or for no reason.

Restrictions on Transferability of Securities

The Preferred Units offered hereby have not been registered under the Securities Act or the securities laws of any state. Consequently, you must bear the economic risk of the investment for an indefinite period of time, and the Preferred Units cannot be sold unless they are subsequently registered under the Securities Act or state securities laws or unless an exemption from such registration is available. Certain restrictions will be placed on the sale or assignment of the Preferred Units including: (i) the placing of a legend on any certificate or instrument evidencing the Preferred Units stating that they have not been registered under the Securities Act or the securities laws of any state and that such Preferred Units may not be sold or assigned without such registration or an available exemption therefrom; (ii) if requested by the Manager, providing an opinion of counsel reasonably satisfactory to the Fund regarding exemptions for such resales and other matters as set forth in the LLC Agreement; (iii) the requirement that you, in the Subscription Agreement, represent in writing that you are purchasing the Preferred Units for your own account for investment and not for resale and that the Preferred Units will not be sold or assigned without registration under the Securities Act and the applicable state securities law covering such sale, or an appropriate exemption therefrom; and (iv) the requirement to obtain written consent of the Manager for a transfer, except as otherwise permitted in the LLC Agreement. We will not permit the transfer of any Preferred Units held by a member that would violate these restrictions. You may wish to seek independent legal advice regarding the effect of these restrictions and investment representations on the transferability of the Preferred Units and other rules of the Securities and Exchange Commission applicable to the resale of restricted securities.

There is no present market for the Preferred Units, no assurance that such a market will develop in the future, and no assurance that the Manager would consent to the sale by any member of the Preferred Units. The Preferred Units are subject to restrictions on transfer, as noted above, and must be held by investors for an indefinite period of time.

Sales Materials

In addition to this Memorandum, the Fund may make use of brochures, pamphlets and other sales literature describing certain aspects of the Fund'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 Fund and referred to in this Memorandum, and, if given or made, such information or representations must not be relied upon.

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 Fund the subscription documents enclosed in the Subscription Package attached hereto as Exhibit A in accordance with the applicable subscription instructions as set forth therein.

You must submit with your subscription documents a check made payable to "**Privera Real Estate Apartment Fund VII, LLC**" in an amount equal to the full amount of the purchase price of the Preferred Units for which you are subscribing. Should you prefer to wire your investment, you must contact the Fund to obtain wiring instructions.

Please mail the completed and executed version of the subscription documents to:

Privera Real Estate Apartment Fund VII, LLC
c/o Privera Real Estate Fund Manager VII, LLC
Attn: Jessie Clausen
8500 Normandale Lake Boulevard, Suite 700
Bloomington, MN 55437

Your Subscription Agreement will be binding upon and enforceable against the Fund only when accepted by the Manager. The Fund 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 proceeds of any prospective investor's investment held by the Fund.

LITIGATION

None of the Sponsor, the Manager or the Fund is currently involved in any litigation proceedings that are expected to have a material adverse effect on the Sponsor, the Manager, their principals, or the Fund.

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 Fund, in each case at the expense of the Fund. No professional or other service provider will be disqualified from providing services to the Fund, 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 Fund's business or other activities.

LEGAL COUNSEL

The Fund, the Manager, the Sponsor and their affiliates have been (and in the future may be) represented by Winthrop & Weinstine, P.A. in connection with the formation of the Fund and all related activities. No investor in Preferred Units (other than an investors affiliated with the Manager or the Sponsor) has been (or will be) represented by Winthrop & Weinstine, P.A. in connection with any aspect of the offering and formation of the Fund.

ELECTRONIC DELIVERY OF DOCUMENTS

The Fund intends to electronically provide the 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: www.TimberlandPartners.com. 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.

EXHIBIT A

Subscription Package

Privera Real Estate APARTMENT FUND VII, LLC
SUBSCRIPTION PACKAGE

SUBSCRIPTION INSTRUCTIONS

Enclosed herewith are the documents necessary to subscribe for Preferred Units of limited liability company interest (the "Preferred Units") in Privera Real Estate Apartment Fund VII, LLC, a limited liability company formed under the laws of Delaware (the "Fund"). The Preferred Units are being offered solely to "accredited investors" as defined in Rule 501(a) of Regulation D (" Accredited Investors") promulgated under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to the Confidential Private Placement Memorandum of the Company dated December 20, 2019 and the exhibits and appendices thereto (collectively, the "Offering Documents"). Set forth herein are instructions for the execution of the enclosed documents.

Each person considering subscribing for Preferred Units should review the following instructions:

Confidential Investor Questionnaire (Annex I): The Confidential Investor Questionnaire enclosed at Annex I must be completed, executed and delivered to the Fund at the address set forth below. The Preferred Units are being sold only to Accredited Investors. The primary purpose of the Confidential Investor Questionnaire enclosed is to collect information from you to determine the manner in which you intend to verify your status as an Accredited Investor, either through (i) VerifyInvestor.com, an online accredited investor verification platform, or (ii) verification by an independent third-party, as further described in the Confidential Investor Questionnaire.

It is possible that you were not required to verify of your status as an Accredited Investor in past Privera Real Estate offerings in which you have participated. However, the nature of this offering, together with changes made to Regulation D in September 2013, impose additional obligations on the Fund to verify that each investor is, in fact, an Accredited Investor. Accordingly, you must fully complete, sign and deliver to the Fund the Confidential Investor Questionnaire and take the additional steps detailed therein to verify your status as an Accredited Investor. The Fund will not consider your proposed investment until your status as an Accredited Investor has been properly verified.

Subscription Agreement (Annex II): The Subscription Agreement enclosed at Annex II must be completed, executed and delivered to the Fund at the address set forth below. If your subscription is accepted, Privera Real Estate Fund Manager VII, LLC, the Fund's manager (the "Manager"), will execute and deliver to you for your records evidence of the Fund's acceptance of your subscription as soon as practicable following such acceptance. The Subscription Agreement also contains a Joinder and Counterpart Signature Page to the Fund's Limited Liability Company Agreement that you must sign and deliver prior to the Fund's acceptance of your Subscription.

Payment of Purchase Price: You must submit with your subscription documents a check made payable to "**Privera Real Estate Apartment Fund VII, LLC**" in an amount equal to the full purchase price of the Preferred Units for which you are subscribing. Should you prefer to wire your investment, you must contact the Fund to obtain wiring instructions.

Acceptance or Rejection of Subscription: The Fund shall have the right to accept or reject any subscription, in whole or in part. The Fund will not accept any subscription until it has received from a prospective investor (i) a completed and executed Subscription Agreement, (ii) a completed and executed Confidential Investor Questionnaire, (iii) applicable documentation with respect to the verification of your status as an Accredited Investor, and (iv) the full purchase price for the Preferred Units for which you are subscribing.

All documents and checks should be forwarded to:

Privera Real Estate Apartment Fund VII, LLC
c/o Privera Real Estate Fund Manager VII, LLC
Attn: Jessie Clausen
8500 Normandale Lake Boulevard, Suite 700
Bloomington, MN 55437

ANNEX I

CONFIDENTIAL INVESTOR QUESTIONNAIRE

Privera Real Estate APARTMENT FUND VII, LLC

CONFIDENTIAL INVESTOR QUESTIONNAIRE

Privera Real Estate Apartment Fund VII, LLC
c/o Privera Real Estate Fund Manager VII, LLC
Attn: Robert Fransen
8500 Normandale Lake Boulevard, Suite 700
Bloomington, MN 55437

Ladies and Gentlemen:

The following information is furnished to Privera Real Estate Apartment Fund VII, LLC, a Delaware limited liability Company (the "Fund"), and Privera Real Estate Fund Manager VII, LLC, a Delaware limited liability company and the manager of the Fund (the "Manager "), in order to support the determination as to whether each undersigned prospective investor is an "Accredited Investor," as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), and will meet the minimum qualifications and suitability standards for investment in the Fund's offering of Preferred Units of limited liability company interest in the Fund ("Preferred Units") pursuant to that certain Confidential Private Placement Memorandum dated December 20, 2019. All information in this Confidential Investor Questionnaire must be treated in a confidential manner; provided that, each of the undersigned agrees that the Fund and the Manager may present this Confidential Investor Questionnaire to such parties as they may deem necessary or appropriate to establish that any proposed offer or sale of Preferred Units to each undersigned prospective investor will be exempt from registration under the Securities Act and any applicable state securities laws.

Each undersigned prospective investor should complete each of the following sections to the extent it is applicable. The name of the applicable prospective investor(s) should match exactly with the name of the prospective investor(s) listed on the Subscription Agreement for the purchase of Preferred Units submitted to the Fund by each of the undersigned in connection herewith. Additionally, each undersigned prospective investor should be careful to note the manner in which it intends to invest in the Fund (*i.e.*, individually, through a trust, through an LLC, etc.) and to fully complete those sections below that relate to that manner of investment. Incorrectly completing the following information will result in a delay in the Fund's consideration of any investment by the undersigned.

If you have any questions as to how to complete this Confidential Investor Questionnaire, please contact:

Jessie Clausen, Investor Relations Specialist
jclausen@timberlandpartners.com
952-843-2057
8500 Normandale Lake Blvd, Suite 700, Minneapolis, MN 55437

1. **Exact Name of Subscriber(s)**: _____

_____

Note: Name of Subscriber(s) should be identical to name(s) listed on your Subscription Agreement

2. **Manner of Investment** (please check only one):

☐ Individual (including multiple individuals investing together)
☐ Revocable Trust
☐ Irrevocable Trust
☐ Other: _____ (please specify)
☐ Partnership
☐ Limited Liability Company
☐ Corporation

3. **Accredited Investor Qualification**

A. If you checked "Individual" in Item 2 above, please complete the following by checking all applicable items.

Each of the undersigned prospective individual investors hereby represents and warrants to the Fund and the Manager that:

i. ☐ The undersigned has a net worth, or a joint net worth together with his or her spouse, in excess of $1,000,000.

> Note: For purposes of determining net worth, you must exclude from your assets the value of your primary residence. You may exclude any debt secured by your primary residence from your liabilities in determining net worth, except that you must include as a liability the greater of (a) any amount by which the debt has increased during the previous 60 days (unless you purchased the residence within the past 60 days), or (b) any amount by which the debt exceeds the fair market value of the residence.

ii. ☐ The undersigned had an individual income in excess of $200,000 in each of the prior two years and reasonably expects an income in excess of $200,000 in the current year.

iii. ☐ The undersigned had joint income with his or her spouse in excess of $300,000 in each of the prior two years and reasonably expects joint income in excess of $300,000 in the current year.

iv. ☐ The undersigned am a manager or executive officer of Privera Real Estate Fund Manager VII, LLC.

v. ☐ None of the above applies.

B. If you checked "Partnership," "Limited Liability Company" or "Corporation" in Item 2 above, please complete the following by checking all applicable items.

The undersigned prospective entity investor hereby represents and warrants to the Fund and the Manager that:

i. ☐ The undersigned has total assets in excess of $5,000,000 and was not formed for the specific purpose of acquiring Preferred Units.

ii. ☐ All of the equity owners of the undersigned qualify as accredited investors by meeting one or more of the qualifications listed under (i) Items 3.A.i through 3.A.iv, (ii) Items 3.B.i and 3.B.ii, (iii) Items 3.C.i and 3.C.ii, (iv) Item 3.D.i; and/or (v) Items 3.E.i through 3.E.vi. Please indicate the name of each equity owner and the applicable qualification(s) below:

Name of Equity Owner	Applicable Qualification(s)

iii. ☐ None of the above applies.

C. If you checked "Revocable Trust" in Item 2 above, please complete the following by checking all applicable items. The undersigned prospective revocable trust investor hereby represents and warrants to the Fund and the Manager that:

i. ☐ The undersigned is a revocable trust with total assets exceeding $5,000,000, which is not formed for the specific purpose of acquiring Preferred Units and whose purpose is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Preferred Units.

ii. ☐ The undersigned is a revocable trust where each grantor of the trust is an accredited investor meeting one or more of the individual accredited investor qualifications listed under Items 3.A.i through 3.A.iv above whose purpose is directed by a person who has such financial knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Preferred Units. Please indicate the name of each grantor of the undersigned revocable trust and the applicable qualification(s) below:

Name of Grantor	Applicable Qualification(s)

iii. ☐ None of the above applies.

D. If you checked "Irrevocable Trust" in Item 2 above, please complete the following by checking all applicable items.

The undersigned prospective irrevocable trust investor hereby represents and warrants to the Fund and the Manager that:

i. ☐ The undersigned is an irrevocable trust with total assets exceeding $5,000,000, which is not formed for the specific purpose of acquiring Preferred Units and whose purpose is directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of an investment in the Preferred Units.

ii. ☐ The above does not apply.

E. If you checked "Other" in Item 2 above, please complete the following by checking all applicable items.

The undersigned prospective investor hereby represents and warrants to the Fund and the Manager that:

i. ☐ The undersigned is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") and one or more of the following is true: (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; (B) the employee benefit plan has total assets in excess of $5,000,000; or (C) the plan is a self-directed plan with investment decisions made solely by persons who are "Accredited Investors."

ii. ☐ The undersigned is a bank or savings and loan association a defined in Sections 3(a)(2) and 3(a)(5)(A), respectively, of the Securities Act, either in its individual or fiduciary capacity.

iii. ☐ The undersigned is an insurance company as defined in Section 2(13) of the Securities Act.

iv. ☐ The undersigned is an investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) thereof.

v. ☐ The undersigned 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.

vi. ☐ The undersigned is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

vii. ☐ None of the above applies.

4. **Verification of Accredited Investor Status**

In connection with the proposed investment in Preferred Units by the undersigned prospective investor(s), the Fund and the Manager are obligated to verify the accuracy of representations contained in Item 3 above and that each of the undersigned prospective investors is, in fact, an Accredited Investor. Each prospective investor may choose one of two following methods to provide to the Fund and the Manager the required verification:

A. Prospective investors may self-verify as an Accredited Investor through VerifyInvestor.com, a third-party, online investor verification platform (the "Platform"). The Fund has established an account with Platform for purposes of verifying the Accredited Investor status of prospective investors.

- or -

B. Prospective investors may arrange for a "Qualified Professional" to deliver to the Fund and the Manager written confirmation of their status as an Accredited Investor based upon the qualifications listed in Item 3 above. A "Qualified Professional" means any one of the following: (i) a registered broker-dealer; (ii) an investment adviser registered with the U.S. Securities and Exchange Commission; (iii) a licensed attorney who is in good standing under the laws of the jurisdiction in which he or she is admitted to practice law; or (iv) a certified public accountant who is duly registered and in good standing under the laws of the place of his or her residence or principal office.

Please indicate your desired method of verifying the Accredited Investor status of each undersigned prospective investor:

☐ The undersigned desire(s) to self-verify the Accredited Investor status of the undersigned prospective investor(s) through VerifyInvestor.com. The undersigned's preferred e-mail address for this purpose is: _____.

If you check the above box indicating your desire to self-verify through VerifyInvestor.com, upon receipt of your properly completed and executed Subscription Agreement and Confidential Investor Questionnaire, the Manager will initiate the verification process. Once initiated, you will receive an e-mail at the above-listed e-mail address inviting you to establish an account for verification of your Accredited Investor Status. You will then be connected with an individual who will walk you through the verification process, including the documentation to be provided to verify your status as an Accredited Investor. Privera Real Estate , Inc., the sponsor of the Preferred Unit offering, will cover the costs of verification through the Platform. If you have any questions, please contact Jessie Clausen, Investor Relations Specialist, at jclausen@timberlandpartners.com

☐ The undersigned desire(s) to arrange for a Qualified Professional to confirm the Accredited Investor status of the undersigned prospective investors and hereby request that the Fund and/or the Manager contact the following individual for such purpose:

Name: _____
Firm Name: _____
Email: _____
Telephone: _____
Address: _____
_____

Please indicate the independent third party's qualifications:

☐ registered broker-dealer;

☐ SEC-registered investment adviser;

☐ licensed attorney; or

☐ certified public accountant.

The undersigned understand(s) that the Fund and/or the Manager will send to the person or firm named above an Accredited Investor Verification Letter for completion and execution by the above-listed Qualified Professional. A form of the Accredited Investor Verification Letter is available upon request. The undersigned has/have informed the Qualified Professional named above that the Fund and/or the Manager will contact him or her to verify my status as an Accredited Investor and the undersigned hereby authorize(s) the Fund or the Manager and their respective agents to communicate with the Qualified Professional named above to obtain such verification.

The undersigned understand(s) that the undersigned is/are solely responsible for paying any fees charged by the person or firm named above in connection with verifying the status of the undersigned as an Accredited Investor.

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SIGNATURE PAGE to
Privera Real Estate Apartment Fund VII, LLC
Confidential Investor Questionnaire

INDIVIDUAL SUBSCRIBER(S)

By:_____
Name: _____
Date: _____ __, 20__

By:_____
Name:_____
Date: _____ __, 20__

ENTITY SUBSCRIBER

Entity Name: _____

By:_____
Name: _____
Title: _____
Date: _____ __, 20__

ANNEX II

SUBSCRIPTION AGREEMENT

Privera Real Estate APARTMENT FUND VII, LLC

SUBSCRIPTION AGREEMENT
(Including investment representations)
IMPORTANT:
This document contains significant representations.
Please read carefully before signing.

Privera Real Estate Apartment Fund VII, LLC
c/o Privera Real Estate Fund Manager VII, LLC
Attn: Jessie Clausen
8500 Normandale Lake Boulevard, Suite 700
Bloomington, MN 55437

Ladies and Gentlemen:

I, _____
[PLEASE PRINT OR TYPE NAME OF INDIVIDUAL/ENTITY SUBSCRIBER]

commit and subscribe to purchase the number of preferred units of limited liability company interests ("Preferred Units") in Privera Real Estate Apartment Fund VII, LLC, a Delaware limited liability company (the "Fund"), for the purchase price set forth below.

With respect to such commitment and subscription to purchase, I hereby represent and warrant to the Fund and the Manager that:

I. **Residence.** I am a bona fide resident of (or, if an entity, the entity is domiciled in) the state identified on my signature page.

AI. **Subscription.**

A. I hereby commit and subscribe to purchase the number of Preferred Units set forth below and agree to contribute the Total Purchase Price listed below to the Fund, representing the purchase price of $25,000 for each Preferred Unit subscribed.

Number of Preferred Units ..... _____ (1)

Total Purchase Price..... $_____

_____

(1) A minimum purchase of two Preferred Units ($50,000) is required, unless waived in the discretion of the Manager.

B. I am enclosing a check made payable to **"Privera Real Estate Apartment Fund VII, LLC"** in an amount equal to the total purchase price of the Preferred units subscribed. I understand that, if I would prefer to wire my investment, I must contact the Fund to obtain wiring instructions and that the Fund will not accept this subscription until it has received my Initial Funding Requirement.

C. I acknowledge that this subscription is contingent upon acceptance by the Fund, and that the Fund may accept or reject subscriptions in whole or in part. I understand that, should this subscription be accepted

only in part, my total purchase price and the number of Preferred Units to be issued to me shall be reduced to reflect such partial acceptance.

BI. Investment Representations of Investor. In connection with the sale of the Preferred Units to me, I hereby acknowledge and represent and warrant to the Fund and the Manager as follows:

A. I hereby acknowledge receipt of a copy of the Confidential Private Placement Memorandum of the Fund, dated on or about December 20, 2019, and all appendices and exhibits thereto (collectively, the "PPM"), relating to the offering of the Preferred Units, as well as a copy of the Fund's Limited Liability Company Agreement (the "LLC Agreement"). I hereby specifically accept and adopt each and every provision of the LLC Agreement and agree to be bound thereby.

B. I have carefully read the PPM, including, without limitation, the section thereof titled "Risk Factors and Conflicts of Interest," and have relied solely upon the PPM and investigations made by me or my representatives in making the decision to invest in the Fund. No statement, printed material or inducement has been given or made by any person associated with the offering of the Preferred Units which was contrary to the information in the PPM.

C. I have been given access to full and complete information regarding the Fund (including the opportunity to meet with or otherwise discuss the Fund's offering of Preferred Units with the Manager and review all the documents described in the PPM and such other documents as I may have requested in writing) and have utilized such access to my satisfaction for the purpose of obtaining information in addition to, or verifying information included in, the PPM.

D. I am experienced and knowledgeable in financial and business matters, capable of evaluating the merits and risks of investing in the Preferred Units, and do not need or desire the assistance of a knowledgeable representative to aid in the evaluation of such risks (or, in the alternative, I have used a knowledgeable representative in connection with my decision to purchase the Preferred Units).

E. I understand that an investment in the Preferred Units is highly speculative and involves a high degree of risk. I believe the investment is suitable for me based on my investment objectives and financial needs. I have adequate means for providing for my current financial needs and personal contingencies and have no need for liquidity of investment with respect to the Preferred Units. I can bear the economic risk of an investment in the Preferred Units for an indefinite period of time and can afford a complete loss of such investment.

F. I understand that there will be no market for the Preferred Units, that there are significant restrictions on the transferability of the Preferred Units and that for these and other reasons, I may not be able to liquidate an investment in the Preferred Units for an indefinite period of time.

G. I have been advised that the Preferred Units have not been registered under the Securities Act of 1933, as amended ("Securities Act"), or under applicable state securities laws ("State Laws"), and are offered pursuant to exemptions from registration under the Securities Act and the State Laws. I understand that the Fund's reliance on such exemptions is predicated in part on my representations to the Fund contained herein.

H. I understand that I am not entitled to cancel, terminate or revoke this subscription or any agreements hereunder, and that the subscription and agreements shall survive my death, incapacity, bankruptcy, dissolution or termination.

I. I understand that capital contributions to the Fund will not be refunded after they are paid.

IV. Investment Intent; Restrictions on Transfer of Securities.

A. I understand that (i) there will be no market for the Preferred Units, (ii) the purchase of the Preferred Units is a long-term investment, (iii) the transferability of the Preferred Units is restricted, (iv) the Preferred

Units may be sold by me only pursuant to registration under the Securities Act and State Laws, or an opinion of counsel that such registration is not required, and (v) the Fund does not have any obligation to register the Preferred Units.

B. I represent and warrant that I am purchasing the Preferred Units for my own account, for long term investment, and without the intention of reselling or redistributing the Preferred Units. The Preferred Units are being purchased by me in my name solely for my own beneficial interest and not as nominee for, on behalf of, for the beneficial interest of, or with the intention to transfer to, any other person, trust, or organization, and I have made no agreement with others regarding any of the Preferred Units. My financial condition is such that it is not likely that it will be necessary for me to dispose of any of the Preferred Units in the foreseeable future.

C. I am aware that, in the view of the Securities and Exchange Commission, a purchase of securities with an intent to resell by reason of any foreseeable specific contingency or anticipated change in market values, or any change in the condition of the Fund or its business, or in connection with a contemplated liquidation or settlement of any loan obtained for the acquisition of any of the Preferred Units and for which the Preferred Units were or may be pledged as security would represent an intent inconsistent with the investment representations set forth above.

D. I understand that any sale, transfer, pledge or other disposition of the Preferred Units by me (i) will require the written consent of the Manager and compliance with all other applicable transfer restrictions contained in the LLC Agreement, (ii) will require conformity with the restrictions contained in this Section 4, and (iii) may be further restricted by a legend placed on the instruments or certificate(s) representing the securities containing substantially the following language:

> "The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, or applicable state securities laws and may not be sold, offered for sale, or transferred except pursuant to either an effective registration statement under the Securities Act of 1933, as amended, and under the applicable state securities laws, or an opinion of counsel for the company that such transaction is exempt from registration under the Securities Act of 1933, as amended, and under the applicable state securities laws.
>
> The transfer or encumbrance of the membership interests represented by this certificate is subject to substantial restrictions described in the LLC Agreement, by and among all of the members of the Fund, a copy of which agreement is on file at the office of the Fund. The acceptance of the membership interests represented by this certificate shall be deemed an agreement to be bound by the terms and conditions of said Agreement."

V. Additional Representations of Investor. I hereby represent and warrant to the Fund and the Manager as follows:

A. Individual Investor Only. I am of legal age in my state of residence and have legal capacity to execute, deliver and perform my obligations under this Subscription Agreement and the LLC Agreement. The Subscription Agreement and the LLC Agreement are my legal, valid and binding obligations, enforceable against me in accordance with their respective terms.

B. Entity Investor Only. I am duly organized, formed or incorporated, as the case may be, and am validly existing and in good standing under the laws of my jurisdiction of incorporation, organization or formation. I have all requisite power and authority to execute, deliver and perform my obligations under this Subscription Agreement and the LLC Agreement and to subscribe for and purchase the Preferred Units subscribed hereunder. I will deliver all documentation with respect to my formation, governance and authorization to purchase the Preferred Units as may be requested by the Fund or the Manager. My execution, delivery and performance of this Subscription Agreement and the LLC Agreement have been authorized by all necessary corporate, limited liability company or other action on my behalf, and the Subscription

Agreement and the LLC Agreement are my legal, valid and binding obligations, enforceable against me in accordance with their respective terms

C. I desire to invest in the Fund for legitimate, valid and legal business and/or personal reasons and not with any intent or purpose to violate any law or regulation. The funds to be used to invest in the Fund are derived from legitimate and legal sources, and neither such funds nor any investment in the Fund (or any proceeds thereof) will be used by me or by any person associated with me to finance any terrorist or other illegitimate, illegal or criminal activity. I acknowledge that, due to anti-money laundering regulations, the Fund and/or the Manager may require further documentation verifying my identity and the source of funds used to purchase the Preferred Units. If I am an entity: I have in place, and shall maintain, an appropriate anti-money laundering program that complies in all material respects with all applicable laws, rules and regulations (including, without limitation, the USA PATRIOT ACT of 2001) and that is designed to detect and report any activity that raises suspicion of money laundering activities. I have obtained all appropriate and necessary background information regarding my officers and beneficial owners to enable me to comply with all applicable laws, rules and regulations respecting anti-money laundering activities.

D. I did not derive any contribution or payment to the Fund from, or related to, any activity that is deemed criminal under United States law.

E. I understand that the Fund and the Manager are relying on the accuracy of the statements contained in this Subscription Agreement and my Accredited Investor Representation Letter in connection with the sale of the Preferred Units to me, and the Preferred Units would not be sold to me if any part of this Subscription Agreement or my Accredited Investor Representation Letter were untrue. The Fund and the Manager may rely on the accuracy of this Subscription Agreement and my Accredited Investor Representation Letter in connection with any matter relating to the offer or sale of the Units.

F. In the event any statement contained in this Subscription Agreement or my Accredited Investor Representation Letter becomes, for any reason, inaccurate, I shall immediately notify the Manager and I understand and acknowledge that the continued accuracy of the statements contained in this Subscription Agreement and my Accredited Investor Representation Letter are of the essence to the Fund's sale of the Preferred Units to me.

G. I acknowledge and agree that any approval or consent of a member required under the LLC Agreement may be provided by a signature page delivered or provided electronically, whether by e-signature, facsimile, DocuSign, electronic mail in portable delivery format or other similar means. I further acknowledge that the Manager may rely on the contact information I have provided in this Subscription Agreement, including for purposes of confirming that information has been delivered to me or that responses received from me are in fact from me.

VI. **Accredited Investor.** I represent and warrant to the Fund and the Manager that I am an "accredited investor," as such term is defined under Rule 501(a) of Regulation D promulgated under the Securities Act. To further establish and support my status as an accredited investor and the suitability to me of an investment in the Preferred Units, I have submitted with this Subscription Agreement a Confidential Investor Questionnaire (my "Confidential Investor Questionnaire"). I agree and covenant to use my best efforts to provide such documentation and information as may be reasonably requested to verify my qualification as an accredited investor by any party tasked with providing such verification. I understand and acknowledged that the Manager will not accept this Subscription Agreement until it has received verification in form and substance acceptable to the Manager of my qualification as an accredited investor.

VII. **Reg. D and "Bad Actor" Compliance**. I hereby represent that none of the "bad actor" disqualifying events described in Rule 506(d)(1)(i) (viii) promulgated under the Securities Act (a "Disqualification Event") is applicable to me or any of my Rule 506(d) Related Parties, except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. For purposes of this Agreement, "Rule 506(d) Related Party" shall mean with respect to any person any other person that is a beneficial owner of such first person's securities for purposes of Rule 506(d) of the Securities Act. I agree that, if I own 20% or more of

the Fund's outstanding units of limited liability company interest at any time, I will complete, and cause any of my managers, partners or owners who is a beneficial owner of 20% or more of the Fund's outstanding units of limited liability company interest to complete, a "Disqualification Event Questionnaire" containing representations as to potential Disqualification Events, and such questionnaire shall constitute a representation and warranty by me under this Subscription Agreement. I will immediately notify the Manager in writing I become subject to a Disqualification Event at any date after I complete a Disqualification Event Questionnaire. In the event that I become subject to a Disqualification Event at any date after the date that I complete a Disqualification Event Questionnaire, I agree and covenant to use my best efforts to coordinate with the Manager (i) to provide documentation as reasonably requested by the Manager related to any such Disqualification Event and (ii) to remedy such Disqualification Event such that the Disqualification Event will not affect in any way the Fund's or its affiliates' ongoing and/or future reliance on the exemptions available under Rule 506 of Regulation D promulgated under the Securities Act.

VIII. Limited Liability Company Agreement. By signing and delivering this Subscription Agreement, I adopt, accept and agree to be bound by the Fund's LLC Agreement, which is described in and the form of which is attached as Exhibit B to the PPM, and I agree to perform all obligations and observe all restrictions contained therein. I also agree to become a signatory and party to the LLC Agreement by signing the attached Joinder and Preferred Member Counterpart Signature Page to the LLC Agreement.

IX. Miscellaneous.

A. I agree to furnish any additional information that the Fund or its counsel deem necessary in order to verify the responses set forth above.

B. I understand the meaning and legal consequences of the agreements, representations and warranties contained herein. I agree that such agreements, representations and warranties shall survive and remain in full force and effect after the execution hereof and payment for the Preferred Units. I further agree to indemnify and hold harmless the Fund, the Manager and each current and future manager, officer, employee, member, agent or affiliate of the Fund or the Manager from and against any and all loss, damage or liability due to, or arising out of, a breach of any of my agreements, representations or warranties contained herein.

C. This Subscription Agreement shall be construed and interpreted in accordance with Delaware law without regard to the principles regarding conflicts of law.

[Signature Pages Follow]

SIGNATURES

Individual Subscriber Signature Page

Dated: _____	Dated: _____
_____ Signature	_____ Signature of Second Individual, if applicable
_____ Name (Typed or Printed)	_____ Name (Typed or Printed)
(____) _____ Telephone Number	(____) _____ Telephone Number
_____ Residence Street Address	_____ Residence Street Address
_____ City, State & Zip Code (Must be same state as in Section 1)	_____ City, State & Zip Code (Must be same state as in Section 1)
_____ Mailing Address (Only if different from residence address)	_____ Mailing Address (Only if different from residence address)
_____ City, State & Zip Code	_____ City, State & Zip Code
_____ Email address	_____ Email address

Individual Subscriber Type of Ownership:

The Preferred Units subscribed for are to be registered in the following form of ownership (check one):

☐ Individual Ownership

☐ Joint Tenants with Right of Survivorship (both parties must sign). Briefly describe the relationship between the parties (e.g., married). _____

☐ Tenants in Common (both parties must sign). Briefly describe the relationship between the parties (e.g., married). _____

Entity Subscriber Signature Page

Dated: _____

_____
Name of Entity (Typed or Printed)

_____ (____) _____
Signature of Authorized Person | Telephone Number

_____ _____
Name of Signatory (Typed or Printed) | Contact Person (if different from Signatory)

_____ _____
Title of Signatory (Typed or Printed) | Mailing Address
(If different from Principal Executive Office Address)

_____ _____
Principal Executive Office Address | City, State & Zip Code

_____ _____
City, State & Zip Code
(Must be same state as in Section 1) | Email address

Entity Subscriber Type of Ownership:

The Preferred Units subscribed for are to be registered in the following form of ownership (check one):

☐ Partnership

☐ Limited Liability Company

☐ Corporation

☐ Trust or Estate (Describe, and enclose evidence of authority)

_____

_____

☐ IRA Trust Account

☐ Other (Describe) _____

_____

ACCEPTANCE

This Subscription Agreement is accepted by Privera Real Estate Fund Manager VII, LLC, in its capacity as Manager of Privera Real Estate Apartment Fund VII, LLC as to:

☐ the number of Preferred Units set forth in Item 2.A.; or

☐ _____ Preferred Units.

Dated: _____ ___, 20____

Privera Real Estate APARTMENT FUND VII, LLC

By: Privera Real Estate Fund Manager VII, LLC
Its: Manager

_____
By: _____
Its: _____

JOINDER AND PREFERRED MEMBER COUNTERPART SIGNATURE PAGE

The undersigned hereby agrees to be bound by the terms and conditions of the Limited Liability Company Agreement of Privera Real Estate Apartment Fund VII, LLC (the "Company") . The undersigned hereby executes this Limited Liability Company Agreement of the Company and hereby authorizes Privera Real Estate Fund Manager VII, LLC, as Manager of the Company, to attach this signature page to a counterpart of such Limited Liability Company Agreement as executed by the other parties thereto.

PREFERRED MEMBER (*INDIVIDUAL*):	PREFERRED MEMBER (*ENTITY OR TRUST*):
Signature	Entity name
Printed Name	Signature
Signature (if Joint Owner)	Printed Name
Printed Name (if Joint Owner)	Title
Address	Address
Email address	Email address
Date	Date

THE UNITS REPRESENTED BY THIS DOCUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE. THESE UNITS HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE. SUCH UNITS MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED, ASSIGNED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING SUCH SECURITIES UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, UNLESS THE HOLDER SHALL HAVE OBTAINED, IF REQUESTED AN OPINION OF COUNSEL SATISFACTORY TO THE FUND THAT SUCH REGISTRATION IS NOT REQUIRED.

THE UNITS REPRESENTED BY THIS DOCUMENT ARE SUBJECT TO FURTHER RESTRICTION AS TO THEIR SALE, TRANSFER, PLEDGE, HYPOTHECATION, OR ASSIGNMENT AS SET FORTH IN THE FUND'S LLC AGREEMENT.

EXHIBIT B

Form of LLC Agreement

See Attached

LIMITED LIABILITY COMPANY AGREEMENT

OF

Privera Real Estate APARTMENT FUND VII, LLC

A DELAWARE LIMITED LIABILITY COMPANY

THE SECURITIES REPRESENTED BY THIS DOCUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE SOLD, OFFERED FOR SALE, OR TRANSFERRED EXCEPT PURSUANT TO EITHER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND UNDER THE APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL FOR THE COMPANY THAT SUCH TRANSACTION IS EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND UNDER THE APPLICABLE STATE SECURITIES LAWS.

TABLE OF CONTENTS

Privera Real Estate APARTMENT FUND VII, LLC
LIMITED LIABILITY COMPANY AGREEMENT

THIS LIMITED LIABILITY COMPANY AGREEMENT of Privera Real Estate Apartment Fund VII, LLC, a Delaware limited liability company (the "Company"), dated as of _____ ___, 2019 (the "Effective Date"), is made by and among the Company, the Manager and those Persons who become Members of the Company from time to time as hereinafter provided.

WITNESSETH:

WHEREAS, the Common Members authorized Winthrop to execute and file the certificate of formation of the Company (the "Certificate of Formation") in accordance with Delaware Limited Liability Company Act, codified in Chapter 18 of Title 6 of the Delaware Code, as the same may be amended from time to time (the "Act"), which certificate was filed with the Delaware Secretary of State on December 4, 2019; and

WHEREAS, the Members desire to enter into a written limited liability company agreement as to the affairs of the Company and the conduct of its business.

ACCORDINGLY, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Members and the Company agree as follows:

ARTICLE I.
DEFINED TERMS

Unless the context otherwise specifies or requires, the terms defined in this Article I, shall, for the purposes of this Agreement, have the meanings specified in this Article I. Certain other capitalized terms used in this Agreement are defined elsewhere herein. All defined terms may be used in the singular or the plural, as the context requires.

"12 Month Period" is defined in Section 4.4.

"Act" is defined in the Recitals.

"Affiliate" means, when used with reference to a specified Person, (i) any Person that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with the specified Person, (ii) any Person that is an officer, partner or trustee of, or serves in a similar capacity with respect to, the specified Person or of which the specified Person is an officer, partner or trustee, or with respect to which the specified Person serves in a similar capacity, (iii) any Person that, directly or indirectly, is the beneficial owner of ten percent (10%) or more of any class of equity securities of, or otherwise has a substantial beneficial interest in, the specified Person or of which the specified Person has a substantial beneficial interest, and (iv) any relative or spouse of the specified Person.

"Agreement" means this Limited Liability Company Agreement as amended, modified or supplemented from time to time.

"Available Cash" means the aggregate amount of cash on hand or in any bank or similar account of the Company as of the end of each fiscal quarter, or other applicable period, derived from any source (other than Capital Contributions or Capital Event Proceeds) that the Manager determines is available for

distribution to the Members after taking into account any amount required or appropriate to maintain a reasonable amount of Reserves, in the discretion of the Manager.

"BBA" is defined in Section 11.6.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in Minneapolis, Minnesota are authorized or required by law to close.

"Capital Account" is defined in Section 6.2.

"Capital Contribution" means, with respect to any Member, the aggregate amount of money, and the Gross Asset Value of any property other than money (net of any liabilities of such Member that the Company assumes or subject to which the Company takes the property), contributed to the Company by the Member. Each Member's respective Capital Contribution shall be listed on the Membership Register, as maintained by the Manager in accordance with Section 6.1.

"Capital Event" means any event determined to be a Capital Event by the Manager in its sole discretion.

"Capital Event Proceeds " means the net cash and/or property realized by the Company from a Capital Event after deduction of all expenses and fees incurred and paid in connection with the Capital Event and application of the gross cash and/or property proceeds, at the sole discretion of the Manager, to the retirement of the indebtedness of the Company and to the establishment and funding of Reserves as permitted by this Agreement.

"Certificate of Formation" is defined in the Recitals.

"Code" means the Internal Revenue Code of 1986, as amended. Any reference in this Agreement to a Section of the Code shall be considered also to include any subsequent amendment or replacement of that Section.

"Common Member" means any Member that holds one or more whole or fractional Common Units.

"Common Units" is defined in Section 3.1.

"Company" is defined in the Preamble.

"Company Minimum Gain" has the meaning set forth in Treasury Regulations Section 1.704-2(b)(2) for the phrase "partnership minimum gain." The amount of Company Minimum Gain, as well as any net increase or decrease in Company Minimum Gain, for a Fiscal Year shall be determined in accordance with the rules of Regulations Section 1.704-2(d).

"Depreciation" means, for each Fiscal Year, an amount equal to the depreciation, amortization or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such Fiscal Year; provided, however, that, if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction with respect to such asset for such Fiscal Year bears to such beginning adjusted tax basis; and, provided, further, however, that, if the federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Manager

"Fiscal Year" is defined in Section 11.3.

"Gross Asset Value" means, with respect to any Company asset, such asset's adjusted basis for federal income tax purposes, except as follows:

(a) the initial Gross Asset Value of any property other than money contributed by a Member to the Company shall be the gross fair market value of such property, as agreed to by the contributing Member and the Manager;

(b) the Gross Asset Value of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Manager (as described further in Section 4.4 of this Agreement), as of the following times: (i) the contribution of more than a *de minimis* amount of assets to the Company by a new or an existing Member as consideration for one or more whole or fractional Units in the Company; (ii) the distribution by the Company to a Member of more than a *de minimis* amount of Company assets as consideration for all or a portion of the Units of such Member; and (iii) the liquidation of the Company within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(*g*); provided, however, that adjustments pursuant to clauses (i) and (ii) of this sentence shall be made only if the Manager determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(c) the Gross Asset Value of any Company asset distributed to any Member shall be the gross fair market value of such asset on the date of distribution, as determined by the Manager (as described further in Section 4.4 of this Agreement); and

(d) if the Gross Asset Value of an asset has been determined or adjusted pursuant to paragraph (a) or paragraph (b) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation (and not the depreciation, amortization, or other cost recovery deductions allowable for federal income tax.

"Indemnitee" is defined in Section 10.1(a).

"Investment Committee" is defined in Section 4.8.

"IRR" means the Internal Rate of Return of the Company, as calculated using the "XIRR" function in Microsoft Excel.

"Loans" has the meaning set forth in Section 4.12(b).

"Manager" means Privera Real Estate Fund Manager VII, LLC, a Delaware limited liability company, or its successor elected pursuant to Section 4.6.

"Member" means each Person executing this Agreement upon acquisition of one or more whole or fractional Units in the Company and any other Person who properly acquires one or more whole or fractional Units in the Company and is admitted as a Member in accordance with Section 3.2 of this Agreement and shall exclude any person who ceases to be a Member pursuant to Section 3.6 of this Agreement.

" Member Nonrecourse Debt" has the meaning of "partner nonrecourse debt" that is set forth in Treasury Regulations Section 1.704-2(b)(4).

"Member Nonrecourse Debt Minimum Gain" has the meaning of "partner nonrecourse debt minimum gain" that is set forth in Treasury Regulations Section 1.704-2(i)(2).

"Membership Register" is defined in Section 6.1.

"Net Operating Income" means the net income or cash flow with respect to a developed real estate asset as derived for valuation purposes by taking the gross collected revenues from the property and deducting therefrom the amounts of operating expenses (including all lender -required reserves), real estate taxes, and management fees with respect to the property but not debt service, other landlord expenses (such as leasing commissions, tenant improvement expenses, and capital improvement expenditures), or noncash expenditures (such as depreciation, amortization, or other cost recovery deductions) with respect to the property.

"Nonrecourse Deductions" has the meaning set forth in Treasury Regulations Section 1.704-2(b)(1).

"Partnership Representative" is defined in Section 11.6.

"Percentage Interest" means, with respect to any holder of Units as of any date, the ratio (expressed as a percentage) of the aggregate number of Units held by such holder on such date to the aggregate number of Units outstanding on such date (or, if with respect to either the class of Preferred Units or the class of Common Units, the ratio (expressed as a percentage) of the aggregate number of such class of Units held by such holder on such date to the aggregate number of such class of Units outstanding on such date). The combined Percentage Interests of all holders of all Units (and similarly as to all holders of any class of Units) shall at all times equal one hundred percent (100%).

" Person" means any natural person, corporation, limited liability company, association, partnership (whether general or limited), joint venture, proprietorship, governmental agency, trust, estate, association, custodian, nominee, or any other individual or entity, whether acting in an individual, fiduciary, representative or other capacity.

"Preferred Member" means any Member that makes a Capital Contribution to the Company and is issued one or more whole or fractional Preferred Units in consideration of such Capital Contribution.

"Preferred Return" means, with respect to each Preferred Member, a return of seven percent (7%) per annum on the balance from time to time of such Preferred Member's Unreturned Capital Contributions, determined on the basis of a year of 365 days, for the actual number of days occurring in the period for which the Preferred Return is being determined. Preferred Return shall be cumulative to the extent not distributed pursuant to this Agreement with respect to a period. The Preferred Return with respect to any Capital Contribution by a Preferred Member will accrue cumulatively from and including the date of such Capital Contribution to the date on which the Preferred Member making such Capital Contribution has received aggregate distributions pursuant to Section 8.1(b) and Section 8.2(b) of this Agreement equal to 100% of such Capital Contribution.

"Preferred Units" is defined in Section 3.1.

"Principal" means Robert L. Fransen, Jonathan R. Yanta, Terry L. Cook, Matthew Fransen, Erin Fransen, Gregory Ribich, Charles Snyder, and John (Jerry) M. Nelson, IV.

"Profits" and " Losses" mean, for each Fiscal Year, an amount equal to the Company's taxable income or loss for such Fiscal Year, determined in accordance with Code Section 703(a) (but including in

taxable income or loss, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1)), with the following adjustments:

(a) any income of the Company exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be added to such taxable income or loss;

(b) any expenditures of the Company described in Code Section 705(a)(2)(B) (or treated as expenditures described in Code Section 705(a)(2)(B) pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be subtracted from such taxable income or loss;

(c) in the event the Gross Asset Value of any Company asset is adjusted in accordance with paragraph (b) or paragraph (c) of the definition of "Gross Asset Value" above, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(d) gain or loss resulting from any disposition of any asset of the Company with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the asset disposed of, notwithstanding that the adjusted tax basis of such asset differs from its Gross Asset Value;

(e) in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year; and

(f) notwithstanding any other provision of this definition, any items that are specially allocated pursuant to this Agreement shall not be taken into account in computing Profits and Losses.

The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Article VII shall be determined by applying rules analogous to those set forth in subparagraphs (a) through (f) above.

"Related Party Transactions" is defined in Section 4.12(a).

"Reserves" means funds set aside or amounts allocated to reserves that shall be maintained in amounts deemed sufficient by the Manager for working capital, to pay taxes, insurance, debt service, and other costs or expenses incident to the conduct of the Company's or its Affiliates' businesses, as contemplated under this Agreement.

"Reviewed Year Member" is defined in Section 11.6.

"Securities Act" means the Securities Act of 1933, as amended.

"Sponsor" means Privera Real Estate , Inc., a Minnesota corporation, or its successors.

"Transfer" means, as a noun, any voluntary or involuntary transfer, sale, pledge or hypothecation or other disposition, whether directly or indirectly and whether through one or a series of transactions (including by way of a change of control or any Member), and, as a verb, voluntarily or involuntarily to transfer, sell, pledge or hypothecation or otherwise dispose of, whether directly or indirectly and whether through one or a series of transactions.

"Treasury Regulations" means the regulations promulgated by the United States Treasury Department under the Code. Any reference in this Agreement to a Section of the Treasury Regulations shall be considered also to include any subsequent amendment or replacement of that Section.

"Units" is defined in Section 3.1.

"Unreturned Capital Contributions" means, as of a particular date, the total amount of Capital Contributions made by a Member to the Company, and (a) as to each Preferred Member, reduced by all distributions that the Company previously made to the Preferred Member pursuant to Section 8.1(b) and Section 8.2(b), and (b) as to each Common Member, reduced by all distributions that the Company previously made to the Common Member pursuant to Section 8.2(d).

"Winthrop" means Winthrop & Weinstine, P.A.

ARTICLE II.
ORGANIZATIONAL MATTERS

2.1. Formation; Name. The Company was formed upon the execution and filing with the Secretary of State of the State of Delaware, on December 4, 2019, of a Certificate of Formation. This Agreement shall be effective as of the date hereof. The name of the Company shall be "Privera Real Estate Apartment Fund VII, LLC" or such other name as the Manager may from time to time hereafter designate in accordance herewith. The Manager shall cause to be executed and filed such further certificates, notices, statements or other instruments required by law for the operation of a limited liability company in all jurisdictions where the Company is required to qualify or be authorized to do business as a foreign limited liability company, or as otherwise necessary to carry out the purpose of this Agreement and the business of the Company.

2.2. Purpose and Powers. The purpose of the Company shall be to identify, acquire, hold, manage and dispose of real estate and real estate related investments, in each case, directly or indirectly, which may include contracts for deed and co tenant interests in real estate, in accordance with the terms of this Agreement, and to engage in any other activities which may be directly or indirectly related or incidental thereto, and to engage in any other lawful business that may be engaged in by a limited liability company under the Act. The Company shall possess and may exercise all of the powers and privileges granted by the Act or by any other law or by this Agreement (if not prohibited by the Act), together with any powers incidental thereto, so far as such powers and privileges are necessary or convenient to the conduct, promotion or attainment of the business purposes or activities of the Company.

2.3. Offices; Registered Agent. The principal office of the Company, and such additional offices as the Company may determine to establish, shall be located at such place or places inside or outside the State of Delaware as the Manager may designate from time to time. The registered office of the Company in the State of Delaware is located at Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The registered agent of the Company for service of process at such address is The Corporation Trust Company.

2.4. Term. The term of the Company commenced on the date its Certificate of Formation was filed in the office of the Secretary of State of the State of Delaware and shall continue until terminated in accordance with the terms of this Agreement or the Act.

2.5. Duties of Members and Manager. The only duties of the Members and the Manager to the Company or to each other in respect of the Company shall be those established in this Agreement, and there shall be no other express or implied duties of the Members or the Manager to the Company or to each other in respect of the Company. To the maximum extent permitted under the Act and applicable law, the

Members hereby eliminate and disclaim fiduciary duties, with the intention that the obligations of the Manager and Members under this Agreement shall be strictly contractual in nature.

2.6. Liability of Members. Except as otherwise provided in the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member of the Company.

2.7. Liabilities of Manager. The Manager shall not be personally liable to the Company or the Members for monetary damages for breach of its duties hereunder except (i) for acts or omissions not in good faith or that involve intentional misconduct or a known violation of law; or (ii) for any transaction from which the Manager derived an improper personal benefit, in each case, as determined by a court of competent jurisdiction. Neither the amendment, modification or repeal of this Section 2.7 nor the adoption of any provision in this Agreement or the Certificate of Formation inconsistent with this Section 2.7 shall adversely affect any right or protection of the Manager with respect to any act or omission that occurred before the time of such amendment, modification, repeal or adoption.

2.8. Other Ventures; Time and Attention . The Members, Manager, Sponsor, and their respective Affiliates, may, during and after the term of the Company, engage in and possess an interest for their respective accounts in other business ventures of every nature and description, independently or with others, including such ventures that are competitive with the Company, and neither the Company nor any Member shall have any right in or to said independent ventures or any income or profits derived from said independent ventures. No Member or Manager shall be required to devote his, her, or its full business time and attention to the affairs of the Company, unless such Person expressly agrees otherwise in this Agreement or another written agreement.

ARTICLE III.
UNITS, NEW MEMBERS, CERTIFICATES

3.1. Limited Liability Company Interests; Units. Limited liability company interests (as such term is defined in Section 18-101(8) of the Act) in the Company means all of the rights to which a Member or assignee in the Company is entitled as provided in this Agreement and under law, together with all of the obligations of such Member or assignee to comply with all of the terms and provisions set forth in this Agreement and under law, and are represented by "Units." The Units in the Company shall be divided into two classes, "Common Units" and "Preferred Units," which shall be issued in whole-Unit increments and fractions thereof, as deemed necessary or appropriate by the Manager or as required by law. The Company shall have the authority to issue 100 Common Units and an unlimited number of Preferred Units.

(a) Common Units. Except for such rights, preferences, privileges and restrictions that are set forth elsewhere in this Agreement, the rights, preferences, privileges, and restrictions granted to and imposed on the Common Units are set forth below in this Section 3.1(a).

(i) Distribution Rights. The distribution rights with respect to the Common Units shall be as provided in Article VIII.

(ii) Redemption. Except as specifically provided herein, the Common Members do not have the right to require the Company to redeem the Common Units.

(iii) Voting Rights. Each Common Unit shall have the right to one vote for each such Common Unit, and the Common Members shall be entitled to notice of any Members' meeting of

the Company, and shall be entitled to vote upon such matters and in such manner as provided in this Agreement or as may be provided by the Act.

(iv) Right to Purchase Preferred Units. The Common Members and their Affiliates may, but are not obligated to, purchase and hold Preferred Units.

(b) Preferred Units. Except for such rights, preferences, privileges and restrictions that are set forth elsewhere in this Agreement, the rights, preferences, privileges, and restrictions granted to and imposed on the Preferred Units are set forth below in this Section 3.1(b).

(i) Distribution Rights. The distribution rights with respect to the Preferred Units shall be as provided in Article VIII.

(ii) Redemption. Except as specifically provided herein, the Preferred Members do not have the right to require the Company to redeem any Preferred Units.

(iii) Voting Rights. Except as required by the Act or otherwise specifically set forth in this Agreement, Preferred Units shall have no voting or governance rights. Except as required by the Act or as expressly specified in any provision of this Agreement, with respect to any issue or matter required to be approved by or voted on by the Preferred Members, the Preferred Members shall vote as a separate class.

3.2. Admission of New Members. Subject to any applicable restrictions set forth in this Agreement, the Manager may, in its sole discretion, from time to time, admit additional Members to the Company in addition to transferees who are admitted as Members pursuant to Article IX. A Person shall become an additional Member (and shall be shown as such on the books and records of the Company) after execution and delivery by such Person of joinder to this Agreement in the form satisfactory to the Manager.

3.3. Issuance of Units. Subject to any applicable restrictions set forth in this Agreement, the Manager may issue additional Units from time to time to existing or new Members. Units may be issued for any consideration, including, without limitation, cash or other property, tangible or intangible, received or to be received by the Company or services rendered or to be rendered to the Company.

3.4. No Certificates for Units. The Units of the Company shall not be certificated unless otherwise determined by the Manager in its sole discretion. The Manager may, from time to time in its discretion, issue a certificate or other documentation to evidence the Units owned by the Member. The issuance of a certificate to a Member shall not obligate the Manager to issue to any other Member a certificate evidencing the Units held by any other Member(s). Any certificate, instrument or other documentation provided to evidence the Units owned by the Member may include a legend placed on such certificate, instrument or other documentation containing substantially the following language:

"The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, or applicable state securities laws and may not be sold, offered for sale, or transferred except pursuant to either an effective registration statement under the Securities Act of 1933, as amended, and under the applicable state securities laws, or an opinion of counsel for the company that such transaction is exempt from registration under the Securities Act of 1933, as amended, and under the applicable state securities laws.

The transfer or encumbrance of the membership interests represented by this certificate is subject to substantial restrictions described in the Company's Limited Liability Company

Agreement, by and among all of the members of the Company, a copy of which agreement is on file at the office of the Company. The acceptance of the membership interests represented by this certificate shall be deemed an agreement to be bound by the terms and conditions of said Agreement."

3.5. Change of Name or Address. Each Member shall promptly notify the Manager of any change in name, address or contact information of the Member. The Manager shall cause to be entered such changes into all affected Company records, including the Membership Register.

3.6. Resignation. No Member may resign, retire or withdraw from the Company before the dissolution and winding up of the Company in accordance with Article XII without the written consent of the Manager, except in connection with a Transfer of all of such Member's Units as permitted under Article IX.

ARTICLE IV.
MANAGEMENT AND OPERATION

4.1. Authority of the Members. Except as otherwise expressly provided in this Agreement, no Member shall have any authority to act for, or to assume any obligations or responsibility on behalf of, or bind any other Member or the Company. Each of the Members represents, warrants, and agrees that it shall not, unless expressly authorized by the Manager, represent to any third party with whom such Member is in contact concerning the affairs or the business of the Company that such Member has any authority to act for, or to assume any obligations or responsibilities on behalf of, the Company.

4.2. Authority of the Manager. The authority to manage, control, and conduct the business of the Company shall be vested exclusively in the Manager, and all decisions affecting the Company, its policies, and management shall be made by the Manager, except as otherwise required by the Act or this Agreement. The initial Manager of the Company shall be Privera Real Estate Fund Manager VII, LLC. Subject to Section 4.8, the Manager shall have the power on behalf and in the name of the Company to carry out any and all of the objectives and purposes of the Company and to perform all acts and enter into and perform all contracts and other undertakings that the Manager, in its sole discretion, deems necessary or advisable or incidental thereto, including, but not limited to, such actions specified elsewhere in this Agreement and:

(a) borrowing money and granting mortgages and other security interests in Company assets;

(b) electing to adjust the tax basis of Company assets and revoking such elections and making such other tax elections as the Manager shall deem appropriate;

(c) entering into, and taking any action under, any contract, agreement or other instrument as the Manager shall determine, in its sole discretion, to be necessary or desirable to further the purposes of the Company, including granting or refraining from granting any waivers, consents, and approvals with respect to any of the foregoing and any matters incident thereto;

(d) subject to Section 4.8, making all elections, investigations, evaluations, and decisions, binding the Company thereby, that may, in the sole discretion of the Manager, be necessary or desirable for the acquisition, management or disposition of the assets of the Company;

(e) engaging counsel and bringing and defending actions and proceedings at law or equity and before any governmental, administrative, or other regulatory agency, body or commission;

(f) opening accounts with banks or other financial institutions, depositing, maintaining, and withdrawing funds in the name of the Company and drawing checks or other orders for the payment of moneys;

(g) making distributions to Members in cash or (to the extent permitted in this Agreement) otherwise;

(h) preparing and filing all necessary returns and statements, paying all taxes, assessments and other impositions applicable to the assets of the Company and withholding amounts with respect thereto as required by law from funds otherwise distributable to any Member;

(i) determining the accounting methods and conventions to be used in the preparation of any accounting or financial records of the Company;

(j) causing the Company to form and operate one or more limited liability companies, limited liability partnerships, limited partnerships or limited liability limited partnerships of which the Company is directly or indirectly an equity holder, the purpose of each of which shall be limited to purchasing, holding, and disposing of Company assets;

(k) subject to Section 4.8, causing the Company to acquire, sell or otherwise dispose of Company assets and executing, delivering, filing any documents, and taking any other actions as may be necessary or advisable to complete such sale or disposition;

(l) subject to Section 4.8, reinvesting Available Cash and/or Capital Event Proceeds in one or more Company assets, including, but not limited to, by causing the Company to engage in a 1031 tax-deferred exchange or similar transaction;

(m) admitting new or additional Members, accepting additional capital contributions from existing Members, issuing additional Units or conducting offerings of equity or debt to raise additional capital, in each case subject to any applicable restrictions set forth elsewhere in this Agreement or the Certificate of Formation;

(n) creating or cause the Company to enter into co-investment opportunities, joint ventures, and/or sidecar or parallel investment entities, in each case subject to applicable restrictions set forth elsewhere in this Agreement or the Certificate of Formation;

(o) causing the Company to enter into Related Party Transactions, subject to applicable restrictions expressly set forth in this Agreement or the Certificate of Formation; and

(p) taking all actions necessary to, in connection with, or incidental to, any of the foregoing.

4.3. Duties of the Manager. In addition to duties specified elsewhere in this Agreement, the Manager shall manage the business and affairs of the Company. The Manager shall devote as much of the Manager's time as is necessary to conduct the affairs of the Company.

4.4. Adjustments to Gross Asset Value. If the Manager determines that the Gross Asset Values of the Company assets shall be adjusted, the Manager shall use the following methods to determine the fair market value, and thus the Gross Asset Value, of each Company asset.

(a) As to each developed real estate asset of the Company, the Manager (i) shall determine the Net Operating Income of the asset for the preceding 12 month period that ends on the last day of the calendar

month that immediately precedes the date for which the determination is being made (or such shorter period if operating data does not exist for such 12 month period but adjusted to an annualized amount) (the " 12 Month Period") and taking into consideration the level of occupancy with respect to the asset during the 12 Month Period and any other factors with respect to the asset that disproportionately affects the Net Operating Income, and (ii) shall capitalize the amount that is determined pursuant to clause (i) by a capitalization rate that, unless the following sentence applies, equals the average of the capitalization rates that the Manager and its Affiliates applied to value properties, whether for sale or purchase (and without regard to whether the properties were Company assets), during the 12 Month Period. If, in the reasonable judgment of the Manager, the capitalization rate that is determined pursuant to the preceding sentence does not fall within the range of then reasonable capitalization rates (for example, because of an extraordinary increase in interest rates toward the end of the 12 Month Period or some catastrophic event that occurred toward the end of the 12 Month Period), the Manager shall apply a capitalization rate that falls at the middle of such range of then reasonable capitalization rates. The amount that is determined pursuant to the preceding two sentences shall be the fair market value, and thus the Gross Asset Value, of such developed real estate asset of the Company.

(b) As to each undeveloped real estate asset of the Company (if any), the Manager shall identify at least three comparable properties that were transferred in arm's length transfers during the 12 Month Period (but, if there were not at least three comparable properties that were transferred during such period, then such fewer number that were or was transferred) and shall determine the average of the sale/purchase prices of such comparable properties (or, if only one comparable property was transferred, the sale/purchase price with respect to such property). If there are no comparable properties that were transferred during the 12 Month Period, the Manager, in its discretion, shall apply a method that an independent appraiser may apply to determine the fair market value of such undeveloped real estate asset of the Company. The fair market value, and thus the Gross Asset Value, of such undeveloped real estate asset shall be based on the amount that is determined pursuant to the preceding two sentences.

(c) As to each asset of the Company that is not a real estate asset (if any), the Manager shall apply a method that an independent appraiser may apply to determine the fair market value, and thus the Gross Asset Value, of such asset of the Company.

(d) If an asset of the Company is a fractional interest in an underlying real estate or other asset (for example, a co tenancy interest, a partnership interest, or a membership interest), the Manager shall determine the fair market value of the underlying asset in accordance with this Section 4.4(d) and shall adjust such fair market value to reflect such fractional interest to determine the fair market value, and thus the Gross Asset Value, of such fractional interest asset of the Company.

4.5. Reliance by Third Parties. Any Person dealing with the Company, other than a Member, may rely on the authority of the Manager without inquiry into the provisions of this Agreement or compliance herewith, regardless of whether that action is actually taken in accordance with the provisions of this Agreement.

4.6. Removal and Replacement. The Preferred Members holding at least seventy-five (75%) of the Preferred Units then outstanding may remove the Manager for Cause by executing a written resolution that sets forth in detail the actions or inactions of the Manager which constitute the Cause which is the basis for the Manager's removal. Following execution of such written resolution by the Preferred Members holding at least seventy-five (75%) of the Preferred Units then-outstanding, such written resolution shall be delivered to the Manager and each Member who is not a signatory to such resolution. The Manager shall have thirty (30) days from receipt of such written resolution to cure the action or inaction constituting the Cause upon which the Manager's proposed removal is based. The proposed removal of the Manager shall become effective only if the alleged actions or inactions giving rise to such Cause are not cured (or the

adverse effects thereof are not substantially ameliorated) prior to expiration of such thirty (30) day period. For purposes of this Section 4.6, "Cause" shall mean (i) embezzlement or other act of dishonesty by the Manager with respect to the Company's business, (ii) the gross negligence, willful misconduct or bad faith of the Manager, or (iii) an intentional breach of any material provision of this Agreement by the Manager, in each case as determined by a court of competent jurisdiction. In the event that a Manager is removed as the Manager of the Company in accordance with the foregoing, a replacement manager shall be elected by the affirmative vote of the Preferred Members holding at least seventy-five (75%) of the Preferred Units then-outstanding. Except as set forth in this Section 4.6, the Preferred Members shall have no right to remove or replace the Manager. In the event any Manager voluntarily resigns or otherwise relinquishes its duties as Manager under this Agreement, a replacement Manager shall be elected by the affirmative vote of the Common Members holding at least a majority of the Common Units then-outstanding.

4.7. Officers. The Manager may, but need not, appoint officers of the Company which may include, but shall not be limited to executive officer, operating officer, president, one or more executive vice presidents or vice presidents, secretary, treasurer or financial officer, and such other officers as deemed necessary by the Manager. The Manager may delegate its day to day management responsibilities to any such officers, and such officers shall have the authority to contract for, negotiate on behalf of and otherwise represent the interests of the Company as authorized by the Manager. Each officer shall perform such duties and have such powers as the Manager shall designate from time to time. Each officer shall hold office at the pleasure of the Manager and until his or her successor shall have been duly elected and qualified, unless sooner removed. Any individual may hold any number of offices. Additionally, the Manager may delegate, to the fullest extent permitted by applicable law, any of its rights, power, authority, discretion, duties and responsibilities under this Agreement to the Sponsor or an Affiliate of the Sponsor.

4.8. Investment Committee. The Company will have an Investment Committee ("Investment Committee ") initially consisting of eight members. The sole duty of the Investment Committee shall be to approve or disapprove of the direct or indirect acquisition or disposition of any real estate or real estate related asset by the Company. The Investment Committee will initially be comprised of the eight Principals. All acquisitions and dispositions of the Company's real estate and real estate related assets will be subject to the prior approval of the Investment Committee. Investment Committee decisions will be based upon majority approval of the members of the Investment Committee, with voting based on their respective percentage ownership interests of the Manager. Members of the Investment Committee will serve at the discretion of the Manager and may be replaced by the Manager at any time for any reason. The Manager has the right to substitute or add additional members to the Investment Committee at its discretion.

4.9. Fees. The Company has agreed to pay the following fees: (i) an annual Asset Management Fee of 1.0% of the as of yet unreturned capital contributions, 50%/50% to the Manager and the Sponsor, respectively; (ii) to the Sponsor only: (a) an Acquisition Fee equal to 1.0% of the purchase price of all property purchased by the Company; (b) a Construction Management Fee of 5.0% of total renovation costs for properties requiring major renovation; (c) a Property Management Fee of 5.0% of collected revenue from each property it manages, which fee may be reduced, at the sole discretion of the Sponsor, based upon such factors as size and any special characteristics of the particular property; and (iii) to the Manager and the Sponsor 50%/50%: a Disposition Fee equal to 2.0% of the sale price of all Company property sold, without regard to third party costs. In addition, the Company will reimburse the Manager for its actual administrative costs in its administration of the Company.

4.10. Fees for Additional Services. One or more parties, which may include the Manager, the Sponsor, and/or Affiliates of the Manager or the Sponsor, may be engaged to perform other required functions on behalf of the Company. The terms of and fees paid under such engagements may be determined by the Manager in its sole discretion; provided, that, the terms of any such contract with any such Affiliate service provider, and fees payable thereunder, will not differ materially from the terms of and fees payable under

a similar engagement entered into with an unrelated third party in an arms -length transaction. The Manager and its Affiliates may also receive promoted or carried interest payments (or other incentive fees) from co-investors in co-investments or for services rendered to joint ventures or the Company. Additionally, the Company may pay to third parties finders' fees, origination or acquisition fees, and loan discounts, to the extent legally permissible; any such fees will be paid directly by the Company and will not offset any fees payable to the Manager or its Affiliates.

4.11. Reimbursement of Expenses. The Company has agreed to pay the Manager and/or one or more of Affiliates of the Manager (including, without limitation, the Sponsor), and the Company shall be obligated to pay to the Manager and/or such Affiliate(s), the reimbursements set forth below, and each Member hereby agrees that the Manager and/or such Affiliate(s) shall be entitled to receive such reimbursements without any further act, approval or vote of the Members:

(a) Expense Reimbursements. The Manager, the Sponsor, and their respective Affiliates shall be reimbursed for all third-party, out-of-pocket expenses incurred by them for the benefit of the Company, including expenses directly related to the purchase, sale and holding of assets, legal, administrative and accounting fees and other operating expenses of the Company. The Company may also advance funds to the Manager, the Sponsor or their respective Affiliates to pay for costs incurred in connection with the pursuit and acquisition of such assets.

(b) Organizational and Offering Expense Reimbursement. The Company will reimburse to the Manager (or its Affiliate(s)) all costs and expenses incurred in connection with the formation of the Company and all legal fees, start-up fees, technology fees and other similar fees related to the organization of the Company and the Company's initial offering of Preferred Units.

Reimbursements made pursuant to this Section 4.11 will be treated as expenses of the Company and will not be deemed to constitute distributions to the Manager of net income, net loss or capital of the Company to which it may be entitled under other provisions of this Agreement.

4.12. Related Party Transactions.

(a) Affiliates. The Members understand and agree that the Company has and will continue to have affiliations with and may enter into numerous transactions with the Sponsor, the Manager and/or Affiliates of the Sponsor or the Manager ("Related Party Transactions"). The Related Party Transactions may include, without limitation, acquisition of Company assets, co investments, joint ventures, property management services, executive management and other personnel, bookkeeping, property management, construction services, real estate acquisition and brokerage services, obtaining office space, and IT infrastructure, among other services, as the same may be changed or discontinued from time to time at the sole discretion of the Manager.

(b) Loans. The Members understand and agree that the Sponsor, the Manager and/or Affiliates of the Sponsor or the Manager may loan money to the Company and its Affiliates from time to time on terms determined by the Manager ("Loans").

(c) Consent. It may be impractical or impossible to identify comparable pricing for a Related Party Transaction, and/or the range of such pricing may vary significantly, and accordingly it is inevitable that some of the prices charged to or collected by the Company will be higher or lower than the cost to provide or obtain such services from unrelated third parties. Accordingly, the Manager will be required to exercise significant judgment regarding the appropriateness of prices for such services under the circumstances. Each Member further understands and agrees that the terms and conditions of the Related Party Transactions will be subject to changes, including material and significant changes, or discontinuation

at the discretion of the Manager, and the Members will not be consulted or informed of such changes in advance. Each of the Members hereby consents to the Related Party Transactions, including future changes approved by the Manager in accordance with this Agreement, and each Member waives any conflicts of interest arising from such relationship, specifically including but not limited to, self-dealing.

(d) Waiver and Release. Each Member, on behalf of itself and its heirs, successors and assigns, hereby waives and releases any claims it may have with respect to any Loans and/or any Related Party Transactions (including as any Loans and/or Related Party Transactions may change in the future at the discretion of the Manager), including without limitation, breach of fiduciary duty, breach of contract or other claims howsoever arising. Notwithstanding the foregoing, such waivers, releases and limitations of liability shall not apply to grossly negligent or intentionally wrongful conduct that has been proven in a court of law.

(e) Inducement. Each Member hereby understands and acknowledges that its agreement to eliminate fiduciary duties, consent to the Related Party Transactions and waiver and release of claims in connection therewith were a material inducement for the Company to issue Units to the Member, and that the Company would not have issued such Units without such agreement, consent, waiver and release. Each Member hereby understands and acknowledges that such agreements, consents, waivers and releases were a material inducement for the other Members to purchase Units and to enter into this Agreement, and that the other Members would not have purchased their Units or entered into this Agreement without such agreements, consents, waivers and releases from all other Members.

(f) New Members. A future Member of the Company who becomes a party to this Agreement shall be deemed to have waived and released all claims arising from acts or omissions arising prior to the time it became a Member of the Company, regardless of the date it became a party to this Agreement.

ARTICLE V.
MEMBERS

5.1. Place and Time of Meeting. Meetings of the Members may be held at such place and at such time as may be designated by Manager. In the absence of a designation of place, meetings shall be held at the Principal Office. In the absence of a designation of time, meetings shall be held at 10:00 a.m.

5.2. Regular Meetings. Regular meetings of Members may be held on an annual or other less frequent periodic basis as may be determined by Manager.

5.3. Special Meetings. Special meetings of the Members for any purpose or purposes shall be called by Manager at the written demand of Members owning a majority of the Units outstanding and entitled to vote at such meeting. Such demand shall state the purpose or purposes of the proposed meeting. Within 10 days after Manager shall receive a proper demand to call a meeting, it shall cause a meeting to be duly called on a Business Day determined by Manager within 70 days of the date of receipt of such request. Business transacted at any special meeting shall be limited to the purpose or purposes stated in the demand.

5.4. Quorum, Adjourned Meetings . The presence, in person or by proxy, of Members who own a majority of the Units outstanding and entitled to vote at such meeting shall constitute a quorum for the transaction of business at any regular or special meeting of the Members. If a quorum is not present at a meeting, the Members present may adjourn to such day as they shall agree upon by a vote of the Members present who hold a majority of the Units held by the Members who are present and entitled to vote at such meeting. Notice of any adjourned meeting need not be given if the date, time and place thereof are announced at the meeting at which the adjournment is taken. At adjourned meetings at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally

noticed. If a quorum is present, the Members may continue to transact business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum.

5.5. Organization. At each meeting of the Members, an individual designated by the Manager, shall act as chair and any Person whom the chair of the meeting shall appoint shall act as secretary of the meeting.

5.6. Order of Business. The order of business at each meeting of the Members shall be determined by Manager, but such order of business may be changed by the vote of the Members present who hold a majority of the Units entitled to vote held by the Members who are present.

5.7. Voting.

(a) All questions at a meeting shall be decided by Members holding a majority of the Units entitled to vote on such matter at the time of the vote, except where otherwise required by the Act or this Agreement; it being understood that certain matters specified in this Agreement require the consent of (i) the Manager, (ii) a specified portion of the Members holding Preferred Units and/or (iii) a specified portion of the Members holding Common Units.

(b) Persons holding Units in a fiduciary capacity may vote the Units so held. If Units stand of record in the names of two or more Persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety or otherwise, or if two or more Persons shall have the same fiduciary relationship respecting the same Units, unless Manager shall have been given written notice to the contrary and shall have been furnished with a copy of the instrument or order appointing them or creating a relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (i) if only one shall vote, his, her, or its act shall bind all; (ii) if more than one shall vote, the act of the majority voting shall bind all; and (iii) if more than one shall vote, but the votes shall be evenly split on any particular matter, then, except as otherwise required by law, each Person may vote the Units in question proportionately.

(c) No Member shall have any cumulative voting rights.

5.8. Notices of Meetings. A written notice of each regular and special meeting of Members shall be given not less than five days before the date of such meeting to each Member entitled to vote at such meeting. Every notice of a meeting of Members shall state the place, date and hour of the meeting and the purpose or purposes for which the meeting is called.

5.9. Proxies. Each Member may authorize another Person or Persons to act for him, her, or it by proxy by an instrument executed in writing and filed with Manager. If any such instrument designates two or more Persons to act as proxies, any proxy may exercise all of the powers conferred by such written instrument unless the instrument shall otherwise provide. No such proxy shall be valid for more than one year from the date of its execution. Subject to the above, any proxy may be revoked if an instrument revoking it or a proxy bearing a later date is filed with Manager.

5.10. Waiver of Notice. Notice of any regular or special meeting may be waived either before, at or after such meeting in writing signed by the Member entitled to the notice. Attendance by a Member at a meeting shall constitute a waiver of notice of such meeting, unless the Member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, or objects before a vote on an item of business because the item may not lawfully be considered at that meeting and does not participate in the consideration of the item at that meeting.

5.11. Written Action. Any action that may be taken at a meeting of the Members may be taken without a meeting if done in writing and signed by that number of Members whose approval would be sufficient to approve such action at a meeting of the Members at which all Members entitled to vote were present. Any Electronic Transmission consenting to an action to be taken and transmitted by a Member, or by a Person or Persons authorized to act for a Member, shall be deemed to be written for purposes of this Section 5.11, provided that any such Electronic Transmission sets forth information from which the Company can determine that the Electronic Transmission was transmitted by the Member, or a Person authorized to act for the Member. The date on which such Electronic Transmission is transmitted shall be deemed to be the date on which such consent was signed.

5.12. Electronic Communications . To the fullest extent permitted under the Act, one or more Members may participate in a meeting by any means of communication through which all Members participating in the meeting may simultaneously hear each other during the meeting. For the purposes of establishing a quorum and taking any action at the meeting, a Member participating pursuant to this Section 5.12 shall be deemed present in person at the meeting; and the place of the meeting shall be the place of origination of the conference telephone conversation or other comparable communication technique.

5.13. ESIGN. Any agreement, certificate or document to be executed by or on behalf of the Company, the Manager or its Members may be executed and delivered by facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) and such method will be deemed to have the same effect as if manual signatures had been affixed to the original and delivered to the other parties by United States mail.

ARTICLE VI.
CAPITAL

6.1. Capital Contributions. The Manager shall maintain at the Principal Office or at such other place as the Manager may from time to time determine an official register of the membership of the Company (the "Membership Register"), which register shall set forth, with respect to each Member, the amount of each Member's Capital Commitment and the number, class and/or series of Units the Company has issued to each such Member. The Manager will update the Membership Register from time to time to reflect changes in the number of outstanding Units and is authorized to substitute a successor Membership Register in replacement of the then-existing Membership Register maintained at the Principal Office or such other place determined by the Manager.

6.2. Capital Accounts. A separate Capital Account ("Capital Account ") shall be maintained for each Member in accordance with Code Section 704 and Treasury Regulations Section 1.704-1(b)(2)(iv). The Manager shall increase or decrease the Capital Accounts in accordance with the rules of such regulations including, without limitation, upon the occurrence of any of the events specified in Treasury Regulations Section 1.704-1(b)(2)(iv)(f). The Manager's determination of Capital Accounts shall be binding upon all parties.

6.3. No Additional Capital Contributions. Except as provided in Section 8.5 and Section 11.6, no Member shall be required to make additional Capital Contributions over and above such Member's initial Capital Contribution unless such Member agrees to make the additional Capital Contributions. The Manager, in its sole discretion and without any requirement of approval or consent from the Members,
(i) may accept additional Capital Contributions from one or more existing Members and may accept initial Capital Contributions from one or more Persons that will become additional Members, and (ii) shall issue additional Units to reflect such Capital Contributions. No Member shall have preemptive rights to acquire Units in connection with any such Capital Contributions that are described in the preceding sentence.

6.4. Limited Liability. No Member shall be personally liable for any of the debts of the Company or be required to contribute any capital to the Company other than the contribution required by this Section, unless agreed to in writing or required by applicable law.

6.5. Creditors. A creditor who makes a nonrecourse loan to the Company shall not have or acquire, at any time as a result of making the loan, any direct or indirect interest in the profits, capital or property of the Company other than as a creditor.

6.6. No Withdrawal of Capital; Distributions. Except as otherwise provided in this Agreement, no Member shall demand or receive a return of its Capital Contributions. Under circumstances requiring a return of any Capital Contributions, no Member shall have the right to receive property other than cash, except as may be specifically provided in this Agreement.

6.7. Member Loans. No Member shall be required to make loans to the Company. If the Manager determines that the Company needs debt financing, then, in such event, a Member shall have the right to make debt financing available to the Company. The terms and conditions of such Member's loans (for example, with respect to interest rate, security and maturity) shall be determined by the Manager.

ARTICLE VII.
ALLOCATIONS OF PROFITS AND LOSSES

7.1. Allocations of Profits and Credits. Except as otherwise provided in this Article VII, all Profits and credits of the Company shall be allocated to the Members from time to time (but no less often than once annually) in the following order of priority:

(a) to each Member, pro rata in accordance with, as to each Member, the excess of (x) the aggregate amount of Losses allocated to such Member pursuant to Section 7.2(d) and Section 7.8 of this Agreement for all prior periods, over (y) the cumulative Profits allocated to such Member pursuant to this Section 7.1(a) for all prior periods until, with respect to each such Member, the aggregate amount of Profits allocated pursuant to this Section 7.1(a) for the current period and all prior periods equals the aggregate amount of Losses allocated pursuant to Section 7.2(d) and Section 7.8 for all prior periods;

(b) to the Members, pro rata in accordance with, as to each Member, the excess of (x) the cumulative Losses allocated to such Member pursuant to Section 7.2(c) of this Agreement for all prior periods, over (y) the cumulative Profits allocated to such Member pursuant to this Section 7.1(b) for all prior periods until, with respect to each such Member, the aggregate amount of Profits allocated pursuant to this Section 7.1(b) for the current period and all prior periods equals the aggregate amount of Losses allocated pursuant to Section 7.2(c) for all prior periods;

(c) 50% to the Preferred Members, as a class, to be allocated among the Preferred Members in accordance with their respective Percentage Interests, and 50% to the Common Members, as a class, to be allocated among the Common Members in accordance with their respective Percentage Interests, until such time as the Common Members, as a class, have received cumulative allocations pursuant to this Section 7.1(c) (and that have not been offset previously by losses allocated pursuant to Section 7.2(b)) equal to 20% of the sum of the cumulative allocations that the Preferred Members, as a class, have received pursuant to this Section 7.1(c) (and that have not been offset previously by losses allocated pursuant to Section 7.2(b)) and Section 7.3, including allocations currently being made to the Preferred Members pursuant to this Section 7.1(c) and Section 7.3 and the cumulative allocations that the Common Members, as a class, have received pursuant to this Section 7.1(c) (and that have not been offset previously by losses allocated pursuant to Section 7.2(b)), including allocations currently being made to the Common Members pursuant to this Section 7.1(c);

(d) thereafter, to the Members, as follows:

(i) with respect to the allocation of Profits and credits for any period (or portion thereof) prior to the date on which the IRR reaches 12% (including in determining the IRR for this purpose Profits that have arisen but the cash flow attributable to which has not been distributed yet), (i) 80% to the Preferred Members, as a class, to be allocated among the Preferred Members in accordance with their respective Percentage Interests, and (ii) 20% to the Common Members, as a class, to be allocated among the Common Members in accordance with their respective Percentage Interests; or

(ii) with respect to the allocation of Profits and credits for any period (or portion thereof) beginning on or after the date on which the IRR reaches 12% (including in determining the IRR for this purpose Profits that have arisen but the cash flow attributable to which has not been distributed yet), (i) 70% to the Preferred Members, as a class, to be allocated among the Preferred Members in accordance with their respective Percentage Interests, and (ii) 30% to the Common Members, as a class, to be allocated among the Common Members in accordance with their respective Percentage Interests.

7.2. Losses. Except as otherwise provided in this Article VII, all Losses of the Company shall be allocated to the Members from time to time (but no less often than once annually) in the following order of priority:

(a) First, to the Members, as follows:

(i) to the Members, pro rata in accordance with, as to each Member, the excess, if any, of (x) the cumulative Profits allocated to such Member pursuant to Section 7.1(d)(ii) of this Agreement for all prior periods, over (y) the cumulative Losses allocated to such Member pursuant to this Section 7.2(a)(i) for all prior periods until, with respect to each such Member, the aggregate amount of Losses allocated pursuant to this Section 7.2(a)(i) for the current period and all prior periods equals the aggregate amount of Profits allocated pursuant to Section 7.1(d)(ii) for all prior periods;

(ii) to the Members, pro rata in accordance with, as to each Member, the excess, if any, of (x) the cumulative Profits allocated to such Member pursuant to Section 7.1(d)(i) of this Agreement for all prior periods, over (y) the cumulative Losses allocated to such Member pursuant to this Section 7.2(a)(ii) for all prior periods until, with respect to each such Member, the aggregate amount of Losses allocated pursuant to this Section 7.2(a)(ii) for the current period and all prior periods equals the aggregate amount of Profits allocated pursuant to Section 7.1(d)(i) for all prior periods;

(b) to the Members, pro rata in accordance with, as to each Member, the excess, if any, of (x) the cumulative Profits allocated to such Member pursuant to Section 7.1(c) of this Agreement for all prior periods, over (y) the cumulative Losses allocated to such Member pursuant to this Section 7.2(b) for all prior periods until, with respect to each such Member, the aggregate amount of Losses allocated pursuant to this Section 7.2(b) for the current period and all prior periods equals the aggregate amount of Profits allocated pursuant to Section 7.1(c) for all prior periods;

(c) to the Members that have positive Capital Account balances (after being reduced by the respective amounts of Losses, if any, allocated to the Members pursuant to Section 7.2(a) and Section 7.2(b) with respect to the current Fiscal Year), pro rata in accordance with, as to each Member, the amount of such

Member's positive Capital Account balance, until all Members' Capital Account balances have been reduced to zero; and

(d) the balance, if any, to the Members, as follows:

(i) with respect to the allocation of Losses for any period (or portion thereof) prior to the date on which the IRR reaches 12%, (i) 80% to the Preferred Members, as a class, to be allocated among the Preferred Members in accordance with their respective Percentage Interests, and (ai) 20% to the Common Members, as a class, to be allocated among the Common Members in accordance with their respective Percentage Interests; or

(ii) with respect to the allocation of Losses for any period beginning (or portion thereof) beginning on or after the date on which the IRR reaches 12%, (i) 70% to the Preferred Members, as a class, to be allocated among the Preferred Members in accordance with their respective Percentage Interests, and (ii) 30% to the Common Members, as a class, to be allocated among the Common Members in accordance with their respective Percentage Interests.

7.3. Preferred Members' Gross Income Allocation. Items of Company gross income and gross gain shall be specially allocated to the Preferred Members in an amount equal to the excess of (x) the aggregate amounts distributed to the Preferred Members pursuant to Section 8.1(a) and Section 8.2(a) for the current Fiscal Year and all prior Fiscal Years, over (y) the amount of all prior allocations made to the Preferred Members pursuant to this Section 7.3, pro rata in proportion to and in accordance each Preferred Member's respective excess amount.

7.4. Qualified Income Offset. If any Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specifically allocated to such Member in an amount and manner sufficient to eliminate a deficit in the Member's Capital Account created by such adjustments, allocations or distributions as quickly as possible. This Section 7.4 is intended to constitute a "qualified income offset" within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(3).

7.5. Nonrecourse Deductions / Minimum Gain Chargeback. Any Nonrecourse Deductions for any Company Fiscal Year shall be specially allocated among the Members in accordance with Treasury Regulations Section 1.704-2. If there is a net decrease in Company Minimum Gain during any Fiscal Year, each Member shall be allocated items of Company income and gains in accordance with Treasury Regulations Section 1.704-2(f)(1) for such year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of such net decrease in Company Minimum Gain determined in accordance with Treasury Regulations Section 1.704-2(g)(2). This Section 7.5 is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(f)(1) and shall be interpreted consistently therewith.

7.6. Member Nonrecourse Deductions / Member Minimum Gain Chargeback. Except as otherwise provided in Treasury Regulations Section 1.704-2(i)(4), notwithstanding any other provision of this Section 7.6, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member_Nonrecourse Debt during any Fiscal Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount that equals such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain that is attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be

allocated to each Member pursuant to the sentence. The items to be allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(4) and 1.704(j)(2). This Section 7.6 is intended to comply with the minimum gain chargeback requirement in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

7.7. Gross Income Allocation. In the event any Member has a deficit balance in such Member's Capital Account (as determined after crediting such Capital Account for any amounts that such Member is obligated to restore or is deemed obligated to restore pursuant to Treasury Regulations Sections 1.704-2(g) and 1.704-2(i)(5)), items of Company gross income and gross gain shall be specially allocated to such Member in an amount and manner to eliminate such deficit (as so determined) as quickly as possible; provided, however, that an allocation pursuant to this Section 7.7 shall be made only if and to the extent that such Member would have such Capital Account deficit (as so determined) after all other allocations provided for in this Article VII (other than Section 7.4) have been tentatively made as if this Section 7.7 were not in this Agreement.

7.8. Limitation Upon Member's Loss Allocations . Company losses shall not be allocated to a Member if such allocation of losses would cause the Member to have a negative balance in the Member's Capital Account in excess of the sum of (i) the amount, if any, the Member is obligated to restore to the Company under this Agreement and (ii) the amount the Member is deemed to be obligated to restore to the Company pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5). Company losses that cannot be allocated to a Member shall be allocated to the other Members; provided, however, that, if no Member may be allocated Company losses due to the limitations of this Section 7.8, Company losses will be allocated to all Members in accordance with Section 7.2(c).

7.9. Code Section 704(c) Allocations. In accordance with Code Sections 704(b) and 704(c) and the Treasury Regulations promulgated thereunder, Company income, gains, deductions, and losses with respect to any property that is contributed to the capital of the Company shall be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value at the time of contribution (computed in accordance with the Treasury Regulations). If Company property is revalued pursuant to this Agreement (or otherwise in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)) at any time, subsequent allocations of Company income, gains, deductions, and losses with respect to such property shall take into consideration any variation between such property's Gross Asset Value following its revaluation (or such other amount as otherwise is determined in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)) and its adjusted basis for federal income tax purposes in the same manner as under Code Section 704(c) and the Treasury Regulations thereunder. 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.

7.10. Withholding. Notwithstanding any other provision of this Agreement, the Company shall comply with any withholding requirements under any law and shall remit amounts withheld to and file required forms with applicable taxing authorities. To the extent that the Company is required to withhold and pay over any amounts to any taxing authority with respect to distributions or allocations to any Member, the amount withheld shall be treated as a distribution of cash to such Member. If an amount required to be withheld was not withheld from an actual distribution, the Company may reduce subsequent distributions by the amount of such required withholding. Each Member agrees to furnish the Company such forms or other documentation as are reasonably necessary to assist the Company in determining the extent of, and in fulfilling, its withholding obligations.

ARTICLE VIII.
DISTRIBUTIONS

8.1. Distributions of Available Cash. The Manager may cause the Company to (i) make distributions of Available Cash to the Members or (ii) reinvest Available Cash pursuant to Section 4.2(l), in each case, at such times and in such amounts as the Manager may determine in its discretion, and the Manager's determinations shall be conclusive and binding upon the Members. All distributions made pursuant to this Section 8.1 shall be made among the Members in the following order of priority:

(a) First, 100% to the Preferred Members, pro rata in accordance with, as to each Preferred Member, the amount of such Preferred Member's accrued but unpaid Preferred Return, until all accrued Preferred Return has been distributed;

(b) Second, if the Manager, in its sole discretion, determines that the distribution includes a return of Capital Contributions of the Preferred Members, to the Preferred Members, pro rata in accordance with their Unreturned Capital Contributions, the amount of the distribution that is a return of Capital Contributions of the Preferred Members;

(c) Third, 50% to the Preferred Members, as a class, pro rata in accordance with their respective Percentage Interests, and 50% to the Common Members, as a class, pro rata in accordance with their respective Percentage Interests, until such time as the Common Members, as a class, have received cumulative distributions pursuant to this Section 8.1(c) equal to 20% of the sum of the cumulative distributions that (i) the Preferred Members, as a class, have received pursuant to Section 8.1(a) and this Section 8.1(c) for the current Fiscal Year and all prior Fiscal Years and (ii) the Common Members, as a class, have received pursuant to this Section 8.1(c) for the current Fiscal Year and all prior Fiscal Years;

(d) Fourth, in any period (or portion thereof) prior to the date on which the IRR reaches 12%, (i) 80% to the Preferred Members, as a class, pro rata in accordance with their respective Percentage Interests, and (ii) 20% to the Common Members, as a class, pro rata in accordance with their respective Percentage Interests; and

(e) Fifth, in any period (or portion thereof) beginning on or after the date on which the IRR reaches 12%, (i) 70% to the Preferred Members, as a class, pro rata in accordance with their respective Percentage Interests, and (ii) 30% to the Common Members, as a class, pro rata in accordance with their respective Percentage Interests.

8.2. Capital Event Distributions. The Company shall distribute any Capital Event Proceeds from a Capital Event, provided that such Capital Event Proceeds are not otherwise reinvested by the Company in the sole discretion of the Manager, among the Members in the following order of priority:

(a) Preferred Return. To the extent available, next to the Preferred Members, pro rata in accordance with, as to each Preferred Member, the amount of such Preferred Member's accrued but unpaid Preferred Return, until all accrued Preferred Return has been distributed;

(b) Return of Unreturned Capital Contributions – Preferred Members. To the extent available, next to the Preferred Members, pro rata in accordance with their Unreturned Capital Contributions, the aggregate amount of the Preferred Members' Unreturned Capital Contributions;

(c) Preferred Member/Common Member Distribution. 50% to the Preferred Members, pro rata in accordance with the Preferred Members' respective interests, and 50% to the Common Members, pro rata in accordance with the Common Members' respective interests, until such time as the Common

Members, as a class, have received cumulative distributions pursuant to Section 8.1(c) and this Section 8.2(c) equal to 20% of the sum of the cumulative distributions that (i) the Preferred Members, as a class, have received pursuant to Section 8.1(a), Section 8.1(c), Section 8.2(a) and this Section 8.2(c) for the current Fiscal Year and all prior Fiscal Years and (ii) the Common Members, as a class, have received pursuant to Section 8.1(c) and this Section 8.2(c) for the current Fiscal Year and all prior Fiscal Years;

(d) Return of Unreturned Capital Contributions – Common Members. To the extent available, next to the Common Members, pro rata in accordance with their Unreturned Capital Contributions, the aggregate amount of the Common Members' Unreturned Capital Contributions;

(e) Positive Capital Accounts. To the extent available, to all Members with positive Capital Account balances (after such balances have been adjusted to reflect (i) the allocation of Company Profit, Loss, and items of income, gain, loss, deduction, or expenditure either attributable to the period immediately preceding such liquidating event or arising from such event and (ii) the amounts of distributions pursuant to Section 8.2(a) through Section 8.2(c)), in proportion to and to the extent of such positive balances; and

(f) Remaining Balance. Thereafter, the remaining balance, if any, shall be distributed as follows: (i) if the IRR has not reached 12% prior to the liquidating distribution (and subject to clause (ii)(II) of this Section 8.2(f)), (x) 80% to the Preferred Members, as a class, pro rata in accordance with their respective Percentage Interests, and (y) 20% to the Common Members, as a class, pro rata in accordance with their respective Percentage Interests, or (ii) either (I) if, prior to the liquidating distribution, the IRR has reached, and it continues through the liquidating distribution, to equal at least, 12%, or (II) if a portion of the liquidating distribution, which is distributed pursuant to clause (i) of this Section 8.2(f), causes the IRR to reach 12% then as to the remaining portion of the liquidating distribution, (x) 70% to the Preferred Members, as a class, pro rata in accordance with their respective Percentage Interests, and (y) 30% to the Common Members, as a class, pro rata in accordance with their respective Percentage Interests.

8.3. Insolvency. No distribution shall be made which would render the Company insolvent.

8.4. Limitations on Distributions. Notwithstanding any provision to the contrary contained in this Agreement, (a) the Company shall not make a distribution to any Member in respect of such Member's ownership of Units if such distribution would violate the Delaware Act or other applicable law and (b) the Company shall not make any distribution to the extent prohibited by any financing agreement with any lender to the Company.

8.5. Claw-back. If upon liquidation of the Company, any Preferred Member has not received during the term of the Company aggregate distributions (but including distributions in connection with the liquidation of the Company other than in connection with this Section 8.5), equal in amount or value (at the time of distribution) to distributions as they would have been made under Article VIII of this Agreement (without reference to this Section 8.5) upon liquidation of the Company if no distributions had previously been made, the Common Members shall jointly, but not severally, be required to contribute to the Company an aggregate amount of cash or other assets which is necessary and sufficient to cause the aggregate amount or value (at the time of distribution) of all distributions made to such Preferred Members to equal distributions as they would have been made under Article VIII of this Agreement (without reference to this Section 8.5) upon liquidation of the Company if no distributions had previously been made; provided, however, that the amount that a Common Member otherwise would be required to contribute to the Company pursuant to this Section 8.5 shall not exceed the value of each Common Member's aggregate distributions pursuant to Section 8.1(c) through Section 8.1(e), in order to satisfy this claw back provision.

ARTICLE IX.
TRANSFERS OF UNITS

9.1. Transfers by Members. The Transfer of all or any portion of a Member's Units to any Person shall be subject to the following conditions precedent:

(a) prior written approval of the Manager,

(b) at least ten (10) Business Days prior to completion of such Transfer, the transferor and/or the transferee shall provide the following to the Manager:

(i) A written agreement of the proposed transferee, in form and substance satisfactory to the Manager, to be bound by this Agreement and all other agreements applicable to the Members, which shall include an agreement by the proposed transferee to execute any and all other documents that the Manager may deem necessary or appropriate to effect and evidence such transfer and to confirm that the proposed transferee and the transferred Units are subject to and bound by this Agreement;

(ii) If requested by the Manager, such representations and warranties that the transferee is an accredited investor and such other representations and warranties customary for transactions of a similar type to the Company and each nontransferring Member;

(iii) If requested by the Manager, an opinion of counsel, satisfactory in form and substance to the Manager, that the Transfer constitutes an exempt transaction under the Securities Act of 1933, as amended, and applicable state securities laws; and

(iv) If requested by the Manager, an opinion of counsel, satisfactory in form and substance to the Manager, that the Transfer will not cause the Company to register under the Investment Company Act of 1940, as amended, or applicable hedge fund rules and regulations; will not cause the Manager to register under the Investment Adviser Act of 1940 or comparable state laws; and will not impair the Company's ability to be taxed as a partnership.

(c) If any Common Member proposes to Transfer all or a majority of its Common Units, such proposed Transfer is subject to the approval of both the Manager and a majority vote by the remaining Members approving such Transfer, taken at a Member meeting to address such Transfer. Such meeting shall be called by the Manager immediately upon receipt of notice of the proposed Transfer as required under Section 9.1(b) above, to be held within 15 days of such announcement and by such means as comply with Article V of this Agreement.

9.2. Prohibited Transfers. In the case of a Transfer or attempted Transfer of Units that is not permitted by, or is not made in compliance with, this Article IX, the parties engaging or attempting to engage in such Transfer shall be liable to indemnify and hold harmless the Company and the other Members from all cost, liability, and damage that the Company and any of such indemnified Members may incur (including, without limitation, incremental tax liabilities, attorneys' fees and expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby.

9.3. Rights of Unadmitted Assignees. A Person who acquires Units but who is not admitted as a substituted Member pursuant to Section 9.4 hereof shall be entitled only to allocations and distributions with respect to such Units in accordance with this Agreement, and shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to inspect any books or records of the Company, and shall not have any of the rights of a Member under the Act or this Agreement.

9.4. Admission of Substituted Members. In addition to the other provisions of this Article IX , a transferee of Units may be admitted to the Company as a substituted Member only upon satisfaction of all of the conditions set forth in this Section 9.4:

(a) The Units with respect to which the transferee is being admitted were acquired by means of a Transfer permitted by this Article IX;

(b) The transferee of Units (other than, with respect to clauses (i) and (ii) below, a transferee that was a Member prior to the Transfer) shall, by written instrument in form and substance reasonably satisfactory to the Manager (and, in the case of clause (iii) below, the transferor Member), (i) make such representations and warranties to the Company and each nontransferring Member as may be requested by the Manager, (ii) accept and adopt the terms and provisions of this Agreement, including this Article IX, and (iii) assume the obligations of the transferor Member under this Agreement with respect to the transferred Units. The transferor Member shall be released from all such assumed obligations except (x) those obligations or liabilities of the transferor Member arising out of a breach of this Agreement, and (y) those obligations or liabilities of the transferor Member based on events occurring, arising or maturing prior to the date of Transfer;

(c) The transferee pays or reimburses the Company for all reasonable legal, filing, and other costs that the Company incurs in connection with the admission of the transferee as a Member with respect to the transferred Units; and

(d) The transferee (other than a transferee that was a Member prior to the Transfer) shall, if requested by the Manager, deliver to the Company evidence of the authority of such Person to become a Member and to be bound by all of the terms and conditions of this Agreement, and the transferee and transferor shall each execute and deliver such other instruments as the Manager reasonably deems necessary or appropriate to effect, and as a condition to, such Transfer, including amendments to the Certificate of Formation of the Company or any other instrument filed with the State of Delaware or any other state or governmental authority.

In the event that one or more of the foregoing conditions is not met but a transferee nonetheless acquires Units in the Company, such transferee shall have only the rights of an unadmitted assignee as described in Section 9.3.

9.5. Representations Regarding Transfers; Legend.

(a) Each Member hereby represents to, and covenants and agrees with, the Company, for the benefit of the Company and all Members, that (i) it is not currently making a market in the Units and will not in the future make a market in the Units without the prior written approval of the Manager, (ii) it will not Transfer its Units on an established securities market, a secondary market (or the substantial equivalent thereof) within the meaning of Code Section 7704(b) (and any Treasury Regulations, proposed Treasury Regulations, revenue rulings, or other official pronouncements of the Internal Revenue Service or Treasury Department that may be promulgated or published thereunder), and (iii) in the event such Treasury Regulations, revenue rulings, or other pronouncements treat any or all arrangements which facilitate the selling of Units and which are commonly referred to as "matching services" as being a secondary market or substantial equivalent thereof, it will not Transfer any Units through a matching service that is not approved in advance by the Manager. Each Member further agrees that it will not Transfer any Units to any Person unless such Person agrees to be bound by this Section 9.5(a) and to Transfer such Units only to Persons who agree to be similarly bound.

(b) Each Member hereby represents and warrants to the Company and the other Members that such Member's acquisition of Units is or was made as principal for such Member's own account and not for resale or distribution of such Units.

9.6. Distributions and Allocations in Respect of Transferred Units. If any Units are Transferred in compliance with the provisions of this Article IX, Profits, Losses, each item thereof, and all other items attributable to the transferred Units for the period in which the Transfer occurs shall be divided and allocated between the transferor and the transferee by taking into account their varying Percentage Interests during the period in accordance with Code Section 706(d), using any conventions permitted by law and selected by the Manager. All distributions 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 any Member, Manager or Officer shall incur any liability for making allocations and distributions in accordance with the provisions of this Section 9.6, whether or not any Member, Manager or Officer or the Company has knowledge of any Transfer of ownership of any Units.

ARTICLE X.
INDEMNIFICATION

10.1. General.

(a) To the fullest extent permitted by law, the Company shall indemnify, hold harmless and defend (i) the Company's Manager, officers, and employees, and (ii) any other Persons (including Affiliates of the Manager or the Company) as the Manager may designate from time to time, in its sole and absolute discretion (each an "Indemnitee") from and against any and all losses, claims, damages, liabilities, whether joint or several, expenses (including legal fees and expenses), judgments, fines and other amounts paid in settlement, incurred or suffered by such Indemnitee, as a party or otherwise, in connection with any threatened, pending or completed claim, demand, action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal, arising out of or in connection with the business or the operation of the Company if the Indemnitee's conduct did not include acts or omissions that involved intentional misconduct or a knowing violation of law.

(b) An Indemnitee shall have the right to employ separate counsel in any action as to which indemnification may be sought under any provision of this Agreement and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnitee unless (i) the Company has agreed in writing to pay such fees and expenses, (ii) the Company has failed to assume the defense thereof and employ counsel within a reasonable period of time after being given the notice required above or (iii) the Indemnitee has been advised by its counsel that representation of such Indemnitee and other parties by the same counsel would be inappropriate under applicable standards of professional conduct (whether or not such representation by the same counsel has been proposed) due to actual or potential differing interests between them. It is understood, however, that the Company shall, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of only one separate firm of attorneys at any time for all such Indemnitees having actual or potential differing interests with the Company, unless but only to the extent the Indemnitees have actual or potential differing interests with each other.

(c) To the fullest extent permitted by law and subject to Section 10.1(b), expenses incurred by an Indemnitee in defending any claim, demand, action, suit or proceeding subject to this Article X shall, from time to time, be advanced by the Company before the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Indemnitee to repay such amount unless it is determined that such Indemnitee is entitled to be indemnified therefor

pursuant to this Article X. An Indemnitee shall not be denied indemnification in whole or in part under this Article X merely because the Indemnitee had an interest in the transaction with respect to which the indemnification applies, if the transaction was not otherwise prohibited by the terms of this Agreement and the conduct of the Indemnitee satisfied the conditions set forth in Section 10.1(a).

10.2. No Member Liability. Any indemnification provided under this Article X shall be satisfied solely out of assets of the Company, as an expense of the Company. No Member shall be subject to personal liability by reason of these indemnification provisions.

10.3. Settlements . The Company shall not be liable for any settlement of any such action effected without its written consent, but if settled with such written consent, or if there is a final judgment against the Indemnitee in any such action, the Company agrees to indemnify and hold harmless the Indemnitee to the extent provided above from and against any loss, claim, damage, liability or expense by reason of such settlement or judgment.

10.4. Amendments. Any amendment of this Article X shall not adversely affect any right or protection of an Indemnitee who was serving at the time of such amendment or repeal, and such rights and protections shall survive such amendment or repeal with respect to events that occurred before such amendment or repeal.

10.5. Survival. The indemnification obligations set forth in this Article X shall survive the termination of this Agreement.

ARTICLE XI.
BOOKS OF ACCOUNT, FISCAL YEAR AND FEES

11.1. Books; Place; Access. The Manager shall maintain books of account on behalf of the Company at the principal office of the Company or such other place as may be designated by the Manager. Unless otherwise required by law, the books and records of the Company may be kept electronically. Such books and records shall be available, upon ten (10) Business Days' notice to the Manager, for inspection at the principal office of the Company at reasonable times during business hours on any Business Day by each Member or its duly authorized agents or representatives for a purpose reasonably related to such Member's interest as a Member of the Company. Each Member agrees that (i) such books and records contain confidential information relating the Company and its business and affairs, (ii) the Manager shall have the authority, pursuant to Section 18-305 of the Act, to prohibit or limit, in its reasonable discretion to protect the best interests of the Company, access to or the making of any copies of such books and records, and
(iii) the Company may charge a reasonable fee for production of such records, including printing costs, photocopy costs and the like.

11.2. Financial Information. The Manager will use its commercially reasonable efforts to cause to be prepared and delivered to each of the Members (i) unaudited annual financial statements for each Fiscal Year; (ii) unaudited quarterly financial statements for the first three quarters of each Fiscal Year; (iii) annual tax information necessary for each Member's tax returns; and (iv) an Asset Management Report at least quarterly.

11.3. Fiscal Year . The fiscal year of the Company shall end on the 31st day of December of each year (the "Fiscal Year").

11.4. Tax Returns and Information.

(a) Tax Returns. The Manager shall cause income and other required federal, state and local tax returns for the Company to be prepared. The Company shall make such other elections as the Manager shall deem to be in the best interests of the Company and the Members. The cost of preparation of such returns by outside preparers, if any, shall be borne by the Company. In the event of a transfer of an interest in the Company permitted under this Agreement, the Company shall, at the request of the transferring Member, file an election under Code Section 754 to adjust the bases of the assets of the Company in accordance with the provisions of Code Section 743. Any costs associated with such election (such as accounting fees) shall be borne by the transferring Member.

(b) Schedule K-1. The Company shall furnish to each Member (i) as soon as reasonably possible after the close of each Fiscal Year such information concerning the Company as is reasonably required for the preparation of such Member's income tax returns (provided, however, that if the Company is unable to deliver a Schedule K-1 by March 1 following the close of the Fiscal Year, the Company shall use its best efforts to provide a requesting Member with a good faith estimate of such information) and
(ai) as soon as reasonably possible after the close of each of the Company's first three fiscal quarters of each Fiscal Year such information concerning the Company as is reasonably required to enable the Member to pay estimated taxes.

11.5. Tax Elections and Accounting. The Manager, in consultation with the Company's tax advisers, shall make or refrain from making any elections required or permitted to be made by the Company under the Code and shall choose the Company's tax accounting method from all available tax accounting methods. The Manager may, at the time and in the manner provided in Treasury Regulations Section 1.754 1(b), cause the Company to elect pursuant to Code Section 754 to adjust the basis of the assets of the Company in the manner provided in Code Sections 734 and 743.

11.6. Partnership Representative. The Manager shall designate a Person to act as (i) the "tax matters partner" for purposes of Section 6231(a)(7) of the Code with respect to a taxable year of the Company that begins before January 1, 2018 (unless an election that is described in the following clause (ii) is made with respect to any such taxable year), and any analogous provision of state, local, or foreign law for a taxable year of the Company to which such analogous provision applies; and (ii) the "partnership representative" for purposes of Section 6223 of the Code (as in effect, in general, with respect to taxable years beginning after December 31, 2017) with respect to a taxable year of the Company that begins after December 31, 2017 (or, if the Company elects to have such Section 6223 of the Code apply to one or more, earlier taxable years, each such earlier taxable year), and any analogous provision of state, local, or foreign law for a taxable year of the Company to which such analogous provision applies (collectively as to both clause
(i) and clause (ii), the "Partnership Representative"). For taxable years of the Company for which the provisions of the Bipartisan Budget Act of 2015 (P.L. 114-74) (the "BBA") do not apply to the Company, the Partnership Representative shall have all of the rights, duties, powers, and obligations provided for in Sections 6221 through 6232 of the Code (as in effect before amendment by the BBA) with respect to the Company. For taxable years for which the provisions of the BBA apply to the Company, the Partnership Representative shall have all of the rights, duties, powers, and obligations provided for in Sections 6221 through 6241 of the Code (as in effect after amendment by the BBA) with respect to the Company, including all decisions regarding elections under Section 6221(b) or Section 6226 of the Code, as amended by the BBA. If (a) the Company becomes liable for any taxes, interest or penalties under Section 6225 of the Code, as amended by the BBA, or under any analogous provision of state, local, or foreign law and (b) the amount of such tax liability that is allocable to a Person that was a Member of the Company for all or a portion of the taxable year to which such liability relates (a "Reviewed Year Member"), including any associated interest and penalties, as reasonably determined by the Manager, taking into account (i) the Reviewed Year Member's share of the Profits or Losses, of specially allocated, individual items of

Company income, gain, deduction, and loss, and of credits to which such adjustment and imputed underpayment relate and (ii) other relevant information (for example, the Reviewed Year Member's obligation (if any) to indemnify, defend, or hold harmless the Company or any other Member for some or all of such adjustment and imputed underpayment (and any associated interest and penalties) or the Reviewed Year Member's obligations and liabilities (if any) arising from or related to the Reviewed Year Member's representations, warranties, and covenants pursuant to this Agreement), exceeds the amount of Company funds that otherwise would be then distributable to the Reviewed Year Member, notwithstanding any other provision of this Agreement, the Reviewed Year Member will contribute to the Company, at least three (3) Business Days prior to the due date of the Company's payment, the amount of funds required (i.e., the full amount of the payment with respect to the Reviewed Year Member if no Company funds would be then distributable to the Reviewed Year Member or the amount by which the amount of the payment with respect to the Reviewed Year Member exceeds the amount of Company funds that otherwise would be then distributable to the Reviewed Year Member) to allow the Company to satisfy fully and timely its obligation to pay such taxes, interest, or penalties under Section 6225 of the Code, as amended by the BBA, or under any analogous provision of state, local, or foreign law. In addition, each of the Partnership Representative and the Manager is authorized to withhold from distributions, if any, then otherwise to be made to one or more of the Reviewed Year Members and to pay to any such taxes, interest, or penalties under Section 6225 of the Code, as amended by the BBA, or under any analogous provision of state, local, or foreign law. Any amount withheld or paid with respect to a Reviewed Year Member pursuant to this Section 11.6 shall be treated as an amount distributed to such Reviewed Year Member for all purposes under this Agreement. Each Reviewed Year Member shall furnish the Partnership Representative with such information as the Partnership Representative may reasonably request to permit the Partnership Representative to perform the Partnership Representative's duties under the Code. This Section 11.6 shall survive (i) the termination, liquidation, or dissolution of the Company and (ii) the transfer, redemption, or liquidation of a Member's interest in the Company. The Partnership Representative shall not be liable to the Company, any Member, or any Reviewed Year Member for any act or omission of the Partnership Representative that was in good faith and in the belief that such act or omission was in, or was not opposed to, the best interests of the Company. The Partnership Representative shall be indemnified by the Company in respect of any claim based upon such act or omission, provided that such act or omission does not violate this Agreement and does not constitute gross negligence, fraud, or a willful violation of law. The Partnership Representative shall inform the Manager, all Members and Reviewed Year Members of all material tax matters of which the Partnership Representative becomes informed by giving the Manager, Members, and the Reviewed Year Members notice thereof within thirty (30) days after the Partnership Representative's becoming so informed. The Company shall bear all expenses and costs of the Partnership Representative except to the extent that the Partnership Representative incurred the expense or cost in connection with an act or omission by the Partnership Representative that violates this Agreement or constitutes gross negligence, fraud, or a willful violation of law. The Company's initial Partnership Representative shall be Privera Real Estate Fund Manager VII, LLC.

ARTICLE XII.
DISSOLUTION, LIQUIDATION AND TERMINATION

12.1. Discretion of Manager. The Manager will have broad discretion to determine the timing and manner of termination of the Company and the winding up of its business. Without limiting the foregoing, in connection with the termination of the Company, the Manager may, consistent with this Agreement and the Act: dissolve the Company and liquidate its assets; make cash distributions, in kind distributions or a combination of thereof; merge or consolidate the Company with another company; contribute the Company's assets to another company in exchange for securities of that company and distribute such securities as in kind distributions; liquidate some assets and distribute cash proceeds therefrom to the Members and continue the term of the Company to continue holding one or more remaining assets; conduct a so called "UP REIT" transaction with a real estate investment trust (REIT) by contributing one or more

of the Company's assets to the REIT in exchange for securities of the REIT (or its operating partnership) and distributing such securities to the Members as an in kind distribution; or a combination of the foregoing.

12.2. Dissolution. The Company shall be dissolved and its affairs shall be wound up upon the first to occur of any of the following:

(a) the approval of such dissolution by the Manager; and

(b) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

12.3. Liquidation and Termination. On dissolution of the Company pursuant to Section 12.2 hereof, the Manager shall appoint one or more liquidators of the Company. The liquidators shall forthwith commence the winding up of the Company's business and the liquidation of its property in accordance with applicable law. Notwithstanding anything to the contrary in this Agreement, upon a liquidation (as defined in Treasury Regulations Section 1.704-1(b)(2)(ii)(g)), if any Member has a deficit Capital Account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all Fiscal Years, including the year in which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution to restore such deficit Capital Account, and the deficit balance of such Capital Account shall not be considered a debt owed by the Member to the Company or to any other Person for any purpose whatsoever.

12.4. Cancellation of Filings. Upon completion of the distribution of Company Assets as provided in Section 12.3, the Company is terminated, and the Manager shall cause to be filed a certificate of cancellation with the Secretary of State of the State of Delaware and shall take such other actions as may be necessary or appropriate to terminate the Company.

ARTICLE XIII.
REPRESENTATIONS, WARRANTIES OF THE MEMBERS; POWER OF ATTORNEY

13.1. Representations and Warranties of the Members. Each Member hereby represents and warrants to the Company and each other Member, and acknowledges, that (a) such Member has such knowledge and experience in financial and business matters that the Member is capable of evaluating the merits and risks of an investment in the Company and making an informed investment decision with respect thereto; (b) such Member is able to bear the economic and financial risk of an investment in the Company for an indefinite period of time; (c) such Member is acquiring an interest in the Company for investment only and not with a view to, or for resale in connection with, any distribution to the public or public offering thereof; (d) the Units have not been registered under the securities laws of any jurisdiction and cannot be disposed of unless they are subsequently registered and/or qualified under the applicable securities laws and the provisions of this Agreement have been complied with; and (e) the execution, delivery and performance of this Agreement by such Member do not require the Member to obtain any consent or approval that has not been obtained and do not contravene or result in a default under any provision of any existing law or regulation applicable to the Member, or any agreement or instrument to which the Member is a party or by which the Member is bound.

13.2. Power of Attorney. By signing this Agreement, each Member designates and appoints the Manager its true and lawful agent and attorney in fact, in its name, place and stead, to:

(a) complete or correct, on behalf of such Member, administrative matters contained in the documents to be executed by such Member in connection with such Member's subscription for an interest in the Company, including, without limitation, filling in or amending amounts, dates, and other pertinent information; and

(b) make, execute, sign, acknowledge, swear to and file: (i) any and all instruments, certificates, and other documents which may be deemed necessary or desirable to effect the winding up and termination of the Company (including, but not limited to, a Certificate of Cancellation of the Company's Certificate of Formation); (ii) any business certificate, fictitious name certificate, amendment thereto, or other instrument, agreement, indemnity or document of any kind necessary or desirable to accomplish the business, purposes and objectives of the Company, or required by an applicable federal, state or local law;
(bi) any counterparts of this Agreement or agreements with additional or substitute Members, and any amendments hereto or thereto (whether or not such Member is a signatory thereto) provided such amendment has been approved as provided herein; and (iv) all other filings with agencies of the federal government, of any state or local government, or of any other jurisdiction, which the Manager considers necessary or desirable to carry out the purposes of this Agreement and the business of the Company.

The power of attorney hereby granted by each of the Members is coupled with an interest, is irrevocable, shall survive the Transfer of the Member's interest in the Company and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetency, termination, bankruptcy, insolvency or dissolution of such Member.

ARTICLE XIV.
MISCELLANEOUS

14.1. Jurisdiction.

(a) The Company and each Member hereby consent and agree to commence any action with respect to any claims or disputes between or among the parties hereto pertaining to this Agreement or to any matter arising out of or related to this Agreement in the United States District Court for the District of Minnesota, so long as the action falls within the subject matter jurisdiction of such court; in the event any such action shall be determined by the court to be outside its subject matter jurisdiction, then the Company and each Member agree to commence any such action in the District Court of Hennepin County, Minnesota. The Company and each Member expressly submit and consent in advance to such jurisdiction in any action or suit commenced in any such court, and hereby waive any objection which each may have based upon lack of personal jurisdiction, improper venue or forum non conveniens and hereby consent to the granting for such legal or equitable relief as is deemed appropriate by such court. The Company and each Member irrevocably consent to the service of process by registered or certified mail, postage prepaid, to it at its address on file with the Company. Subject to the foregoing, nothing in this Agreement shall be deemed or operate to affect the right of the Company or any Member to serve legal process in any other manner permitted by law, or to preclude the enforcement by the Company or any Member of any judgment or order obtained in the forum specified in this Section 14.1 or the taking of any action under this Agreement to enforce the same in any other appropriate forum or jurisdiction.

(b) To the extent permitted by applicable law, the Company and each Member irrevocably waive any right such party may have to consequential or punitive damages or any other similar entitlement.

14.2. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware, without regard to the conflicts of law principles of such state.

14.3. Waiver of Jury Trial. THE COMPANY AND EACH MEMBER HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

14.4. Third Party Benefit. Nothing in this Agreement, express or implied, is intended to confer upon any Person not a party to this Agreement any rights, remedies, obligations or liabilities of any nature whatsoever; provided, however, that the Indemnitees shall, as intended third-party beneficiaries thereof, be entitled to the enforcement of Article X, but only insofar as the obligations sought to be enforced thereunder are those of the Company; and provided further, the Sponsor, the Manager and their respective Affiliates are intended third-party beneficiaries of the consents to and waivers of claims with respect Related Party Transactions herein.

14.5. Amendments and Waivers. Any amendments to this Agreement shall be adopted and be effective as an amendment hereto only if approved in writing by Members holding a majority of the Common Units then outstanding; provided, however, that (i) no amendment shall be made, and any such purported amendment shall be void and ineffective, to the extent the result thereof would be to cause the Company to be treated as anything other than a partnership for purposes of United States federal income taxation or adversely affect the rights, preferences, privileges, qualifications, limitations or restrictions on or to the Preferred Members or the Preferred Units, and (ii) amendments to correct unintentional omissions or errors and clarify ambiguities which do not materially disadvantage any Member, may each be made by the Manager acting alone and shall not require the approval of any Member. By an instrument in writing, the Company and the Members may waive compliance by the Company and any other Member with any provision of this Agreement; provided, however, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure or with respect to the Company or a Member that has not executed and delivered any such waiver. No failure to exercise and no delay in exercising any right, remedy, or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, or power provided herein or by law or at equity.

14.6. Tax Matters. It is the intention of the Members that the Company shall not be taxed as a corporation for federal, state and local income tax purposes, but instead shall be taxed as a partnership. The Members agree to take all reasonable actions, including the execution of other documents, as may reasonably be required in order for the Company to qualify for and receive such treatment for such period for federal, state and local income tax purposes.

14.7. Successors and Assigns . This Agreement shall be binding upon the transferees, successors, assigns and legal representatives of the parties to this Agreement.

14.8. Notices. All notices required or permitted to be given hereunder shall be in writing and may be delivered by hand, by facsimile, by private courier, or by United States mail. Notices delivered by mail shall be deemed delivered five (5) business days after being deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested. Notices delivered by hand, by facsimile, or by private carrier shall be deemed given on the business day following receipt (unless such day is a Saturday, Sunday or national holiday, in which case such notice shall be deemed given on the next business day); provided, however, that a notice delivered by facsimile shall only be effective if such notice is also delivered by hand, or deposited in the United States mail, postage prepaid, registered or certified mail, on or before two (2) business days after its delivery by facsimile. All notices to the Company shall be delivered to the following address and all notices to Members shall be delivered to the addresses on file with the Company (or at such other address for a party as shall be specified by like notice, except that notices after

giving of which there is a designated period within which to perform an act and notices of changes of address shall be effective only upon receipt):

Privera Real Estate Apartment Fund VII, LLC
c/o Privera Real Estate Fund Manager VII, LLC
8500 Normandale Lake Boulevard, Suite 700
Minneapolis, Minnesota 55437
Attention: Robert L. Fransen
Telephone: (952) 843 2040
Facsimile: (952) 893 0968

Notice of change of address shall be effective only when done in accordance with this Section 14.8.

14.9. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and thereof and supersedes all prior agreements and undertakings, both written and oral, between the parties with respect to the subject matter hereof and thereof, except for contracts and agreements referred herein.

14.10. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

14.11. Counterparts. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

14.12. Headings; Exhibits. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All exhibits and annexes attached hereto are incorporated in and made a part of this Agreement as if set forth in full herein.

14.13. Further Assurances. The Company and each Member shall execute and deliver such instruments and take such other actions as may be reasonably required in order to carry out the intent of this Agreement.

14.14. Specific Performance. The Company and each of the Members acknowledges and agrees that in the event of any breach of this Agreement the non-breaching party would be irreparably harmed and could not be made whole by monetary damages. It is accordingly agreed that the parties hereto will waive the defense in any action for specific performance that a remedy at law would be adequate and that the Company and the Members hereto, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled to compel specific performance of this Agreement.

14.15. Waiver of Partition. Each Member hereby irrevocably waives any and all rights that he, she, or it may have to maintain an action for partition of any of the Company's property.

14.16. Pronouns. All pronouns shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the antecedent may require.

14.17. Preparation of Agreement; Conflict of Interest. Each Member acknowledges that Winthrop is representing the Company and the Manager in connection with this Agreement. By signing this Agreement, each Member (other than the Manager) acknowledges and agrees the it has been advised the Winthrop is not representing such Member in connection with the Agreement and that such Member's interests under this Agreement may be adverse to, or in conflict with, the interests of the Company or the other Members. Each Member further acknowledges that it has been advised to seek separate counsel because of the adverse and conflicting interests that may exist or that may arise in the future. The Company and the Members each agree that, to the extent the Company or such Member is represented by Winthrop on matters unrelated to this Agreement, that the Company and each such Member (i) consents to Winthrop's representation of the Company and the Manager in connection with this Agreement; (ii) waives any conflict of interest resulting from such representations; and (iii) agrees that the duty of loyalty of Winthrop in connection with this Agreement shall be owed solely to the Company and the Manager.

* * *

18424798v1

IN WITNESS WHEREOF, the parties hereto have caused this Limited Liability Company Agreement to be executed by their duly authorized representatives as of the day and year first written above.

MANAGER:

Privera Real Estate Fund Manager VII, LLC

By: Robert L. Fransen
Its: President

COMMON MEMBER:

Privera Real Estate Fund Manager VII, LLC

By: Robert L. Fransen
Its: President

PREFERRED MEMBERS:

[Separate Joinder Signature Pages Attached for Preferred Members]

JOINDER AND PREFERRED MEMBER COUNTERPART SIGNATURE PAGE

The undersigned hereby agrees to be bound by the terms and conditions of the Limited Liability Company Agreement of Privera Real Estate Apartment Fund VII, LLC (the "Company") . The undersigned hereby executes this Limited Liability Company Agreement of the Company and hereby authorizes Privera Real Estate Fund Manager VII, LLC, as Manager of the Company, to attach this signature page to a counterpart of such Limited Liability Company Agreement as executed by the other parties thereto.

PREFERRED MEMBER (*INDIVIDUAL*):	PREFERRED MEMBER (*ENTITY OR TRUST*):
Signature	Entity name
Printed Name	Signature
Signature (if Joint Owner)	Printed Name
Printed Name (if Joint Owner)	Title
Address	Address
Email address	Email address
Date	Date

THE UNITS REPRESENTED BY THIS DOCUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE. THESE UNITS HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE. SUCH UNITS MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED, ASSIGNED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING SUCH SECURITIES UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, UNLESS THE HOLDER SHALL HAVE OBTAINED, IF REQUESTED AN OPINION OF COUNSEL SATISFACTORY TO THE FUND THAT SUCH REGISTRATION IS NOT REQUIRED.

THE UNITS REPRESENTED BY THIS DOCUMENT ARE SUBJECT TO FURTHER RESTRICTION AS TO THEIR SALE, TRANSFER, PLEDGE, HYPOTHECATION, OR ASSIGNMENT AS SET FORTH IN THE FUND'S LLC AGREEMENT.

EXHIBIT C

Privera Real Estate APARTMENT FUND VII, LLC
Target Investment Guidelines*

Criteria	Cash-Flow Properties	Value-Add Opportunities
Size	Minimum 150 Units	Minimum 150 Units
Age	1990's built or newer	1980's built or newer
Leverage	70% to 80% of purchase price	75% to 80% of anticipated value after improvements
Quality(1)	Class B to A-	Class B or greater after renovations
Location(1)	Class B or higher	Class B or higher
Geographical region	Any area where Privera Real Estate or any of its affiliates currently owns apartments, including secondary and tertiary markets. In addition, any new market where we see opportunity that can be effectively managed through our regional offices.	
Target Internal Rate of Return(2)	12%+	15%+

*These Guidelines are not requirements. While the Investment Committee and Manager will utilize these Guidelines in evaluating potential property acquisitions, properties ultimately purchased by the Fund may possess characteristics outside of or different from these criteria.

(1)Classifications of quality and location are subjective. Preferred locations are stable or growing high-income locations. We intend for the Fund's investment focus to generally be on Class B locations and Class B product type for what we believe to be an appropriate blend of risk and potential return.

(2)**These are targeted rates of return, not guarantees of performance.** There is no guarantee that the Fund will be able to meet these objectives or that investors will not lose all or a portion of their investment in the Fund.

EXHIBIT D

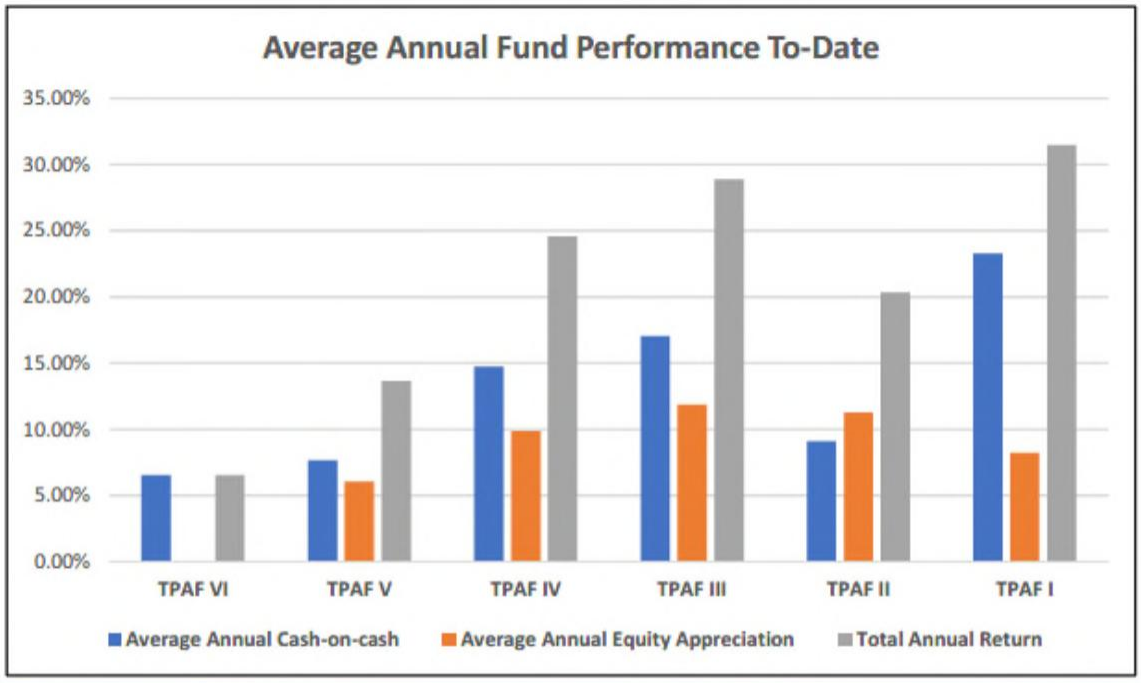
Affiliate Property Performance History

DISCLAIMERS

INFORMATION AND DATA INCLUDED IN THIS DOCUMENT IS SUBJECT TO CHANGE BASED ON MARKET AND OTHER CONDITIONS, INCLUDING CHANGES IN THE METHODS OR STRATEGIES EMPLOYED BY Privera Real Estate APARTMENT FUND I, LLC ("TPAF I"), Privera Real Estate APARTMENT FUND II, LLC ("TPAF II"), Privera Real Estate APARTMENT FUND III, LLC ("TPAF III"), TIMBERLAND APARTMENT FUND IV, LLC ("TPAF IV"), TIMBERLAND APARTMENT FUND V, LLC ("TPAF V"), AND TIMBERLAND APARTMENT FUND VI, LLC ("TPAF VI")(COLLECTIVELY, THE "PRIOR FUNDS"). WHILE THE MANAGER OF THE FUND BELIEVES THAT INFORMATION INCLUDED IN THIS DOCUMENT IS ACCURATE AND COMPLETE, IT HAS NOT BEEN INDEPENDENTLY VERIFIED AS TO ITS ACCURACY OR COMPLETENESS.

THE PAST PERFORMANCE OF INVESTMENTS MADE BY THE PRIOR FUNDS SHOULD NOT BE VIEWED AS PREDICTIVE OF THE FUND'S FUTURE PERFORMANCE. AS WITH ANY INVESTMENT, THERE CAN BE NO ASSURANCE THAT THE FUND'S INVESTMENT OBJECTIVE WILL BE ACHIEVED OR THAT AN INVESTOR WILL NOT LOSE A PORTION OR ALL OF HIS OR HER INVESTMENT. IN ADDITION, IT SHOULD NOT BE ASSUMED THAT INVESTMENTS DISCLOSED IN THIS DOCUMENT WILL BE REPRESENTATIVE OF ANY INVESTMENT MADE BY THE MANAGER FOR THE FUND.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY INTERESTS IN THE FUND. THE INFORMATION CONTAINED IN THIS DOCUMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO DISCLOSURES MADE IN THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM FOR THE FUND AND RELATED ATTACHMENTS AND EXHIBITS. THESE DOCUMENTS SHOULD BE CAREFULLY REVIEWED PRIOR TO MAKING AN INVESTMENT DECISION. FOR MORE INFORMATION REGARDING THE FUND, PLEASE CONTACT GREGORY RIBICH AT (952) 843-2035 OR ROBERT FRANSEN AT (952) 843-2040.



Entity	Capital Raised	Initial Capital Closing	Active Years
TPAF VI	$51,450,000	9/13/2017	2
TPAF V	$38,650,000	6/30/2015	4
TPAF IV	$25,425,000	11/27/2013	6
TPAF III	$17,075,000	8/31/2012	7
TPAF II	$12,600,000	12/22/2010	8
TPAF I	$8,325,000	2/8/2008	11

Entity	Average Annual Cash-on-cash	Average Annual Equity Appreciation	Total Annual Return
TPAF VI	6.52%	0.0%	**6.52%**
TPAF V	7.61%	6.0%	**13.61%**
TPAF IV	14.70%	9.8%	**24.54%**
TPAF III	17.01%	11.8%	**28.84%**
TPAF II	9.06%	11.3%	**20.31%**
TPAF I	23.27%	8.2%	**31.45%**

	Annual Cash-on-Cash Return										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*
TPAF I	3.75%	19.42%	9.00%	34.35%	8.44%	49.95%	7.45%	11.20%	11.37%	66.50%	52.46%
TPAF II			2.63%	5.19%	8.25%	8.25%	7.38%	10.52%	24.01%	7.57%	5.68%
TPAF III					5.98%	9.25%	11.25%	13.00%	59.08%	10.48%	7.27%
TPAF IV						5.89%	10.00%	10.85%	24.31%	9.29%	25.49%
TPAF V								6.28%	7.38%	9.43%	5.75%
TPAF VI										1.76%	10.44%

*Through 11/30/2019

EXHIBIT E

Initial Acquisition Opportunities

DISCLAIMERS

THIS EXHIBIT E CONTAINS CERTAIN STATEMENTS THAT MUST BE DEEMED "FORWARD-LOOKING" STATEMENTS UNDER SECTION 27A OF THE SECURITIES ACT, INCLUDING, AMONG OTHER THINGS, DISCUSSIONS OF OUR BUSINESS PLANS AND STRATEGIES, EXPECTATIONS CONCERNING FINANCIAL POSITION, MARKET POSITION, ANTICIPATED REVENUES AND PERFORMANCE, FUTURE OPERATIONS, PROFITABILITY, LIQUIDITY AND CAPITAL RESOURCES. WORDS INCLUDING, BUT NOT LIMITED TO, "MAY," "ANTICIPATE," "EXPECT" AND "BELIEVE" INDICATE FORWARD-LOOKING STATEMENTS. ALTHOUGH WE BELIEVE THAT THE EXPECTATIONS REFLECTED IN SUCH FORWARD-LOOKING STATEMENTS ARE GENERALLY REASONABLE AND REFLECT THE CURRENT VIEWS OF OUR MANAGER, SUCH STATEMENTS ARE INHERENTLY UNCERTAIN, AND WE CAN GIVE NO ASSURANCE THAT SUCH STATEMENTS WILL ULTIMATELY PROVE TO BE CORRECT. AS SUCH, ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY THE FORWARD-LOOKING STATEMENTS.

ALL PHASES OF OUR BUSINESS ARE SUBJECT TO A NUMBER OF UNCERTAINTIES AND RISKS, MANY OF WHICH ARE OUTSIDE OUR CONTROL, AND ANY ONE OF WHICH, OR ANY COMBINATION OF WHICH, COULD MATERIALLY ADVERSELY AFFECT OUR RESULTS. IMPORTANT FACTORS, INCLUDING, BUT NOT LIMITED TO, THOSE DISCLOSED UNDER THE SECTION OF THE MEMORANDUM TITLED "RISK FACTORS AND CONFLICTS OF INTEREST", COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM SUCH STATEMENTS. THEREFORE, YOU ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS.

ALL OF THE FORWARD-LOOKING STATEMENTS MADE IN THIS EXHIBIT E AND ELSEWHERE IN THE MEMORANDUM ARE QUALIFIED BY THESE CAUTIONARY STATEMENTS, AND THERE CAN BE NO ASSURANCE THAT THE ACTUAL RESULTS OR DEVELOPMENTS THAT WE HAVE ANTICIPATED WILL BE REALIZED. EVEN IF THE RESULTS AND DEVELOPMENTS IN OUR FORWARD-LOOKING STATEMENTS ARE SUBSTANTIALLY REALIZED, THERE IS NO ASSURANCE THAT THEY WILL HAVE THE EXPECTED CONSEQUENCES TO, OR EFFECTS ON, OUR BUSINESS.

Trails at Cahaba River Apartments
801 Cahaba Forest Cove
Birmingham, Alabama

Salient Facts

Privera Real Estate , Inc. ("Privera Real Estate ") has identified an acquisition opportunity that it believes meets the Fund's target investment guidelines as a value-added opportunity with increasing cash flows. The closing is scheduled for late January 2019. The following is a summary of the property and the projected returns to the Fund.

Acquisition Price:	$45,300,000	Year Built:	1987/1988
Price Per Unit:	$113,250	Units:	400
Price Per Foot:	$ 115.58	Average Sq. Ft. Unit Size:	980
Fund VII Equity Required:	$8,245,000*	Year One Cap Rate: **	5.16%
Occupancy: (as of 11/29/2019)	93.5%	Year One Cash-on-cash Return: **	7%

*Represents 56% of the total Equity Requirement. See "Ownership Structure" below.
**Projections. See disclaimer on Exhibit E cover page.

Investment Highlights

The acquisition of Trails at Cahaba River will result in the addition of a well -constructed, high quality "Class B+" apartment community acquired at a purchase price of $45,300,000, which is below the recently appraised value of $46,500,000. In addition, the Fund believes the purchase price is well below replacement cost and that there is additional value to be created following implementation of best-in-class site-level management and the completion of strategic upgrades throughout the community.

The current ownership of Trails at Cahaba River deployed over $ 6.6 million to extensively renovate the property interiors, exteriors, and amenities. They currently have 51 units that remain in "classic" condition. The Fund strongly believes that in order to capitalize on the true "Class A" location of this property and further solidify the community as a quality and desirable value alternative to the newer product in this submarket, further improvements must be made. Upon completion of multiple market studies, the Fund believes that adding a third expansive resort-style pool, installing full-size washers and dryers in all units, fully renovating the classic units with higher end finishes, and making slight improvements to currently renovated units will help further close the gap between Trails and the higher-priced competitors in the submarket by an average of more than $100 per unit per month.

In total, the Fund has planned a $2,300,000 renovation budget for Trails at Cahaba River. The improvements include the following property enhancements:

New dog park	$25,000
New grills and fire pits	$40,000
Roof replacement	$18,000
Exterior cat walk repairs	$15,000

New resort style pool	$500,000
Crawl space repairs	$100,000
Tree trimming	$60,000
Reseal and stripe parking lot	$40,000
New cabinet fronts (unit renovation):	$56,000
New interior paint (unit renovation):	$61,000
New appliances (unit renovation):	$87,000
New tile backsplash (unit renovations):	$160,000
Granite countertops (unit renovation):	$153,000
Flooring (unit renovation):	$467,000
Lighting (unit renovation):	$10,000
Add washer/dryers (unit renovations):	$380,000
Miscellaneous:	$101,000
Contingency:	$113,500
Construction management fee:	$113,500
Total	**$ 2,500,000**

Property Description

Trails at Cahaba River was constructed in two phases between 1987 and 1988. The property is well-positioned as a quality, "Class B" apartment community. Totaling 400 units and including a common area leasing office, the community consists of twenty-one three-story apartment buildings built into hilly terrain. The building structure is American Craftsman Style wood-frame buildings on concrete slabs with lightweight plywood upper level subfloors and brick and Hardie-plank exteriors. The roofs are pitched with asphalt composition shingles.

The property has a diverse unit mix which consists of 32% 1-bedroom floorplans, 58% 2 -bedroom floorplans, and 10% 3-bedroom floorplans. The average unit size is 980 square feet. Each unit features a full appliance package including well equipped kitchens (refrigerator, electric range/oven, dishwasher, and disposal), window coverings, and balconies. Every unit has full-size washer and dryer connections. Current ownership spent almost $3.2 million to renovate 85% of units with new faux wood vinyl plank flooring, stainless steel kitchen appliances, painted kitchen and bathroom cabinet boxes, new shaker style cabinet fronts with stainless pulls, new Formica countertops, 2" faux wood blinds, and lighting/plumbing/ hardware fixtures.

The property also underwent a $3.4 million renovation of exterior and amenity upgrades including a fully renovated clubhouse, 100% replacement of the vinyl siding with Hardie-plank, repainted brick siding, five new building roofs, new gutters/downspouts, and other miscellaneous improvements. The common area amenities include an expansive, serene, and hilly park-like setting, direct access to miles of river-side hiking trails, kayak/canoe storage, two outdoor swimming pools, fitness center, business center, BBQ/picnic areas, playground, and sport court.

Location/Market Overview

Trails at Cahaba River is located in the incredibly busy and continually growing US Highway 280 corridor 20 minutes southwest of downtown Birmingham, Alabama. Known as, "The Magic City," given its magical boom in population during the height of the U.S. iron and steel manufacturing age, Birmingham's economy and growth is now rooted and sustained largely by the healthcare industry. The metro's largest employer, the University of Alabama at Birmingham (UAB), is an international leader in healthcare and UAB's Hospital is one of the top transplant centers in the world. In 2012, intermingled with UAB's campus, Children's of Alabama opened their $400 million, 760,000-square-foot Benjamin Russell Hospital for Children, becoming the third largest pediatric hospital in the country. A couple minutes away from these two powerhouses sits St. Vincent's Hospital, which has treated superstars like Bo Jackson and Jack Nicklaus. These facilities all have an enormous economic impact on the Birmingham metro, but the most promising investment near Trails at Cahaba River is a couple of minutes away from the property. Grandview Medical Center is a $280 million, 1.6-million -square foot facility that contains some of the most technologically advanced medical capabilities in the country. The center is directly responsible for generating over 3,900 jobs and more than $ 125 million in earnings since 2015. Furthermore, Grandview has been a catalyst for additional supportive medical facilities and commercial services along the Highway 280 corridor, amounting for a regional impact of over 9,000 jobs.

In addition to the massive health care industry, Birmingham is also a major exporter of banking and insurance processing services. The Federal Reserve ranks Birmingham as the second-largest banking center in the South and ninth nationally. A few firms with corporate headquarters in Birmingham include: Regions Financial Corporation,

BBVA Compass, Cadence Bank, Infinity Auto Insurance, and Blue Cross Blue Shield of Alabama. Additionally, Birmingham is one of four regional processing centers for the U.S. Social Security Administration. These employers, among many factors, have helped the metro add jobs on a year-over -year basis for eight years. The Bureau of Labor Statistics reports that the Birmingham metro continued this job growth trend with a net gain of 7,400 jobs in the 12 months ending in August 2019. The steady growth of these employers throughout the area combined with a slowdown in the construction pipeline have driven up the market-wide occupancy rate to almost 96%. At the same time, same-store rent growth in Birmingham increased by over 4.1% through Q3 2019, according to Axiometrics.

This growing economy is transforming the US Highway 280 corridor, where Trails is located, into a second city center that boasts over 9.6 million square feet of office and retail space. Within 2.5 miles of the property, there are over 11,000 office-using jobs in industries ranging from telecommunications to healthcare. Additionally, five minutes north of the property is the luxury lifestyle center, The Summit, that contains over 100 different stores across over one million square feet of retail space. According to the Birmingham Business Alliance, the top employers include: UAB (23,000 employees and over 21,000 enrolled students), Regions Financial Corporation (9,000 employees), St. Vincent's Health System (5,100 employees), Children's of Alabama (5,000 employees), AT&T (4,517 employees), Honda Manufacturing of Alabama (4,500 employees), Brookwood Baptist Health (4,459 employees), Jefferson County Board of Education (4,400 employees), City of Birmingham (4,200 employees), Mercedes-Benz U.S. International, Inc. (3,600 employees).

Over the last year, Birmingham has received multiple accolades including: "Top 10 City for Job Seekers" in 2019 by Indeed.com, one of five places emerging as America's new tech hotspots according to MarketWatch, and "Top 10 Mid-Size American Cities of the Future" in 2019 by fDi Intelligence.

Financing

The Fund is seeking to finance Trails at Cahaba River with a Fannie Mae loan in the amount of $33,395,000. The first six years of the 12-year loan term will call for interest-only payments. Amortizing principal and interest payments will be based on a 30-year schedule. The all-in fixed interest rate is expected to be between 3.75% and 4.00%.

Ownership Structure

The Fund will jointly own Trails at Cahaba River Apartments in a tenant-in-common (TIC) partnership with Privera Real Estate Apartment Fund II, LLC, which seeks to complete a tax-deferred exchange with proceeds from the sale of a property in Burnsville, Minnesota. The total equity base will be $14,585,000. The Fund will contribute $8,245,000 in equity and own a 56.5% tenant-in-common interest. TPAF II Wyngate LLC, wholly owned by Privera Real Estate Apartment Fund II, LLC will contribute $6,340,000 in equity and own the remaining 43.5% tenant-in -common interest. TPAF II Wyngate, LLC is under common control of the fund, with certain principals of the Fund Manager owning a significant majority of the controlling interests in TPAFII Wyngate, LLC

Watermark on Walnut Creek Apartments
600 S. Promenade Boulevard
Rogers, Arkansas

Salient Facts

Privera Real Estate , Inc. ("Privera Real Estate ") has identified a multifamily acquisition opportunity that it believes meets the Fund's target investment guidelines as a high quality, new asset with solid in-place and increasing future cash flows. The Fund is scheduled to close on the acquisition of Watermark on Walnut Creek in February 2020.

Acquisition Price:	$36,950,000	Year Built:	2017
Price Per Unit:	$167,955	Units:	220
Price Per Foot:	$137.61	Average Sq Ft Unit Size:	1,221
Equity Requirement:	$10,140,000	Year One Capitalization Rate: *	5.25%
Occupancy (as of 12/12/2019):	95.0%	Year One Cash-on-Cash Return: *	8.0%

*Projections. See disclaimer on Exhibit E cover page.

Investment Highlights

The Fund believes that the acquisition of Watermark on Walnut Creek will result in the addition of a high quality, "Class A" apartment community with steady and increasing cash flows.

Constructed in 2017, Watermark on Walnut Creek offers an opportunity to acquire a well-located, "Class A" apartment community with potential for additional value creation following the implementation of best-in-class site-level management. The property is currently performing well and the exterior of the property and the grounds are in very good condition. There will not be a need for extensive capital improvement work, but we believe the property will greatly benefit from Privera Real Estate ' professional, "hands on" management and support team. In addition, the units accommodate full-size washers and dryers; however, most of the machines are currently rented by the residents through a third party. Our business plan includes the purchase and installation of new washers and dryers in each unit upon turnover, thereby creating the opportunity to generate additional income. As a part of the acquisition process, we intend to rebrand the property and add new signage.

After studying the market, competition, and job growth numbers, we identified a number of positive factors related to Watermark on Walnut Creek and believe Northwest Arkansas is a great long- term market for apartment investments. As a "Class A" property, Watermark on Walnut Creek will compete with the top complexes in the market; however, we believe the architecture and unique product type will set it apart from its competitors.

Property Description

Watermark is a newly constructed, 220-unit property located in Rogers, Arkansas (Northwest Arkansas). The units are made up of large one-, two-, and three-bedroom units with open concept floor plans, bar seating, and patios/balconies. The property offers a unique "Big House" designed product type for this market. Big House

architecture is essentially a hybrid of apartment, townhome, and single-family homes. Each building is two-stories and each unit will have a secured, ground-level entrance in addition to a direct-access attached garage. The property is made up of spacious, townhome style units that include top-of-market finishes including granite countertops, stainless steel appliances, tile backsplashes, direct-access garages, full-size washers/dryers, faux wood floors, patios/balconies, nine - and ten-foot ceilings, and a bonus room for additional storage. Common area amenities include a community lounge, fitness center, resort-style pool, poolside grilling pavilion and lounge, firepit, and a dog park with dog spa.

Upon closing, Privera Real Estate will own two properties totaling 755 units in the Northwest Arkansas market, including The Sully in Bentonville, Arkansas which Privera Real Estate acquired in the first quarter of 2019.

Location/Market Overview

Rogers is part of the Northwest Arkansas submarket and is four miles southeast of The Sully in Bentonville. Northwest Arkansas is one of the fastest growing metro areas in the country and we believe Watermark on Walnut Creek will greatly benefit from the large presence of Walmart Headquarters. The property is located less than four miles from the new proposed site of Walmart Headquarters. The Urban Land Institute projects that the region will grow by almost 50% (250,000 people) from 2010-2030, which is among the highest projected growth rates in the nation. Median household incomes within one mile of the site exceed $109k, and Northwest Arkansas is anchored by the University of Arkansas and three Fortune 500 companies: Walmart, Tyson Foods, and JB Hunt.

The region as a whole has witnessed massive growth and quality-of-life investments over the past decade that have spurred consistent population growth. These investments include the construction of Arvest Ballpark, the 36-mile Razorback Regional Greenway trail system, the Walmart Arkansas Music Pavilion, the interactive museum called Scott Family Amazeum, and a major renovation to Walton Arts Center. More projects are in the works and there is no sign of slowing down. The Crystal Bridges is another popular area, with beautiful namesake bridges, a recognized art museum, and an extensive network of trails and paths throughout the region.

Even after experiencing strong growth over the years, the local population in Rogers, Arkansas is still only 65,000, the crime rate is very low, and the public schools retain strong ratings. The Walton Family Foundation has a huge presence in the greater Northwest Arkansas market and are expected to continue to invest in the area (schools, parks, trails, and other lifestyle amenities) to provide a high quality of life for current and prospective residents.

As previously mentioned, Walmart announced that it will be building a new corporate headquarters. The new corporate campus will sit on approximately 350 acres, is expected to accommodate 14,000-17,000 employees, and will cost approximately $1 billion. The project will be built in several phases over a five- to seven-year period. The decision for Walmart to remain in Bentonville for the long-term and to build a campus of this size and cost provides confidence in the market and we expect will have a long-term ripple effect on the regional economy. Demolition of the site has begun and the new campus is expected to open in phases until its 2024 completion.

Northwest Arkansas is ranked by Forbes as one of the nation's best when it comes to its impressive job growth and has been one of the strongest markets in the nation in terms of economic growth this cycle. The job growth is primarily tied to Walmart, which has seen its stock rise 80% since the beginning of 2012. This has attracted over 1,350 suppliers to the state of Arkansas, many of which set up operations in Northwest Arkansas and created thousands of jobs over the years. Overall, the area has added over 15,000 jobs in the past two years and has lowered its unemployment rate to below 3%. In addition, with the support of the University of Arkansas, over 30,000 college students attend universities and colleges in Northwest Arkansas, providing the metro-area companies with a talent -rich pipeline of potential employees. This, combined with some of the lowest business costs in America, has helped make the area a popular destination for corporate headquarters and, in turn, one of the premier job growth regions nationally.

Financing

The Fund is planning to finance the acquisition of Watermark on Walnut Creek with a Freddie Mac loan. The expected loan proceeds are approximately $28,000,000. The 10- or 12-year loan term will likely include five or six years of interest-only payments at an interest rate of approximately 3.80%-4.00%.

Meadowridge Apartments
2000 Styling Ridge Drive
St. Peters, Missouri

Salient Facts

Privera Real Estate , Inc. ("Privera Real Estate ") has identified a multifamily acquisition opportunity that we believe meets the Fund's target investment guidelines as a high quality, new asset with solid in-place and increasing future cash flows. The Fund is expected to close on the acquisition of Meadowridge in late January, 2020.

Acquisition Price:	$28,400,000	Year Built:	2018/2019
Price Per Unit:	$157,778	Units:	180
Price Per Foot:	$139.31	Average Sq Ft Unit Size:	1,133
Equity Required:	$6,845,000	Year One Capitalization Rate: *	5.75%
Occupancy (as of 12/12/2019):	98.3%	Year One Cash-on-cash Return: *	10.5%

*Projections. See disclaimer on Exhibit E cover page.

Investment Highlights

The Fund believes that the acquisition of Meadowridge will result in the addition of a quality, "Class A" apartment community with steady and increasing cash flows.

Built in 2019, Meadowridge offers an opportunity to acquire a well-located, newly constructed property with upside potential of future rent growth following its initial lease-up.

Property Description

Meadowridge is a newly constructed (2018/2019), 180-unit apartment property in St. Peters, Missouri (St. Charles County) . The property is comprised of large one-, two-, and three-bedroom units with open concept floor plans, bar seating, and patios/balconies. The units feature gourmet kitchens, nine-foot ceilings, stainless steel appliances, granite countertops, LVT floors, and full-size washers/dryers in all units. Common area amenities include a community lounge, fitness center, zero-entry pool, grilling area and fire pit, and a dog park.

We were able to source Meadowridge off -market. The current owner has experienced a fairly strong lease-up and stabilization, albeit at rates that we believe to be below market when compared to nearby comparable properties. The current owners are builders by trade and therefore focus their efforts on obtaining high occupancy and do not put as

much focus into the operations/management side of the business. We believe that there is quite a bit of value left to be created by implementing professional, best-in-class on-site management practices. In addition, the St. Charles County market is an affluent and fast-growing part of the St. Louis metro with strong demographics.

The current owner acted as the General Contractor and performed both the construction and development responsibilities. By doing this, they eliminated a lot of third-party expense compared to more traditional development projects. As a result, we believe we are able to acquire the property at an attractive purchase price.

Upon closing, Privera Real Estate will own seven properties totaling 1,966 units in the St. Louis market, including Green Mount Lakes, Parkway Lakeside, Pelican Cove, Vance Station, Willowbend, and The Finn.

Location/Market Overview

Meadowridge is located in St. Peters, Missouri and part of the St. Charles County submarket. St. Charles County is an affluent and fast-growing part of the St. Louis metro. The submarket typically performs better than most areas of the metro, with some of the lowest vacancies and highest rents. Rents are above the metro average, and continued to grow at a moderate pace into the latter half of 2019.

A flourishing population attracted to job growth has contributed to strong fundamentals in St. Charles County. The submarket has experienced the fastest population growth in the metro this cycle, at around 10.0%. Comparatively, metro-wide growth was closer to 1.0%.

Well-educated and relatively affluent new residents have been the main drivers of recent population growth. Median household incomes have grown by more than 10% since 2010, at almost twice the metro average. In this time, St. Charles County gained the most residents holding a bachelor's degree or above out of any submarket in the metro.

The job market has performed well here recently. According to the Bureau of Labor Statistics, St. Charles County has lower unemployment than statewide and nationwide levels, at less than 2.5% heading into the latter half of 2019. Sectors that have performed particularly well in job growth included manufacturing, education and health services, and leisure and hospitality. St. Charles County is home to a mix of large office and industrial employers, providing a renter base across a range of income levels. The largest employer in the submarket is CitiMortgage alongside Mastercard Worldwide and General Motors.

The Francis Howell R-III School District is recognized as one of the premier school districts in the St. Louis region as well as in the State of Missouri. All three Francis Howell High Schools were ranked in the top 25 high schools in Missouri, as well as among the top 2,500 in the nation.

The average household income within a three-mile radius of Meadowridge is $111,021 while the average home value is $213,907.

Financing

The Fund plans to finance the acquisition of Meadowridge with a Freddie Mac loan. The expected loan proceeds are in excess of $22,000,000. The 10- or 12-year loan term will likely include five or six years of interest-only payments at an interest rate of approximately 3.8%-4.0%. The loan will be assumable to a new buyer in the future.

Encore Memorial
7860 East 126th Street S
Bixby, Oklahoma

Salient Facts

Privera Real Estate , Inc. ("Privera Real Estate ") has identified an acquisition opportunity that the Fund believes meets its target investment guidelines as a strong producer of stable and increasing cash flows. We plan to utilize today's very favorable interest rate environment to refinance the existing HUD 223(f) loan to produce immediate cash-on-cash returns. We will also implement strategic capital improvements to increase the property's long-term value. The closing is scheduled for mid- to late-January, 2020. Following is a summary of the property and the projected returns to the Fund.

Acquisition Price:	$28,200,000	Year Built:	2012
Price Per Unit:	$113,710	Units:	248
Price Per Foot:	$ 115.58	Average Sq. Ft. Unit Size:	929
Fund VII Equity Required: *	$1,750,000	Year One Cap Rate: **	5.85%
Occupancy: (as of 9/30/2019)	96%	Year One Cash-on-cash Return: **	5.74%

*Represents 31.25% of the total equity requirement. See "Ownership Structure" below.
**Projections. See disclaimer on Exhibit E cover page.

Investment Highlights

Built in 2012, Encore Memorial is a quality "Class A" property located in Bixby, Oklahoma. The property is architecturally appealing and well-constructed. Encore Memorial offers large 1-, 2-, and 3-bedroom units with resort-style amenities and features. We believe there is a healthy rent gap of $250-300 when compared to a new construction property nearby and feel that Encore Memorial is positioned well within the market. We are purchasing the property for $28,200,000, or $113,710 per unit. The property has been well maintained and the replacement cost for a property of this quality would be in excess of $35,000,000.

In total, the partnership has planned a $500,000 renovation for Encore Memorial. The improvements include the following property enhancements:

Paint exterior/repair trim and siding	$280,000
Add playground	$25,000
Parking lot repairs/touch-up	$30,000
Landscaping enhancements	$25,000
Outdoor grill/pool furniture/equipment	$45,000
LED retrofit exterior lighting	$45,000
Building signage	$15,000
Contingency/construction management	$35,000
Total	**$500,000**

Property Description

Constructed in 2012, Encore Memorial is a "Class A" apartment community consisting of 248 units and located just 16 miles south of downtown Tulsa. Furthermore, it is located less than eight miles southeast of Privera Real Estate ' two other Tulsa, Oklahoma communities: The Lakes and Riverchase Apartments.

The property offers an exceptional amenities package including a resort-style swimming pool and hot tub, fitness center, business center, coffee bar, BBQ stations, fire pit, dog park, beach volleyball, a community garden, detached garages, and covered parking. The unit interiors are comprised of two finish types split between each of the eleven buildings. Half of the units have espresso brown cabinets, light tan subway tile backsplash, and light oak faux wood flooring in the kitchens and bathrooms. The other half has lighter brown cabinets with similar flooring. All units contain laminate countertops, stainless steel appliances, washer/dryers, walk-in closets, and nine-foot ceilings.

The community is comprised of 108 one-bedroom/one -bathroom units with 766 rentable square feet, 128 two-bedroom/two-bathroom units with 1,065 rentable square feet, and 12 three-bedroom/two-bathroom units with 1,227 rentable square feet. Overall, the average unit size at the property is 929 rentable square feet.

Location/Market Overview

Located in Bixby, Oklahoma, Encore Memorial is part of the Tulsa MSA. The Tulsa MSA consists of Rogers, Creek, Wagoner, Osage, and Tulsa counties and encompasses over 25% of Oklahoma's total population. The Tulsa MSA has an estimated population of 987,248 residents, making it the second largest city in Oklahoma and the 60th largest city in the United States. By 2021, Tulsa's projected population is 1.1 million people. With a skilled workforce and a strong per capita income compared to the cost of living, the City of Tulsa provides a resilient economy. The metro successfully balances convenience and affordability with a talented workforce, central location, and pro-business atmosphere.

Although Tulsa maintains a strong presence in the energy sector, the economy goes beyond the oil industry. With a strong base in aerospace, health care, manufacturing, and transportation, the city has consistently rising salaries, a diversified economy, and a 3.6% unemployment rate (Q2 2019). Tulsa's economy is also supported by the Port of Catoosa, the most inland river port in the U.S. with access to international waterways. The combination of a dynamic population and a growing export market creates a pro-business environment, drawing interest from a variety of national businesses.

Rental conditions in the market are trending positively. According to Axiometrics, effective rents are up 3.1% through Q2 2019. This growth rate is in line with, but slightly below, the national average of 3.3%. It is, however, outperforming both the submarket and the greater Tulsa market. This rent growth has also been seen at Privera Real Estate ' two properties in the Tulsa market. Effective gross income (EGI) is up 2.8% year-to-date across these properties compared to prior year. While rents continue to rise, occupancy trends also continue to increase. Encore Memorial reported occupancy of 96% in September 2019 and occupancy in the Tulsa market is 94%. Encore Memorial and the respective submarket's rental metrics have been fueled by year-to-date job growth of 1.5%, which is nearly double the national average of 0.8%. The South Tulsa submarket is expected to continue to show growth and development surrounding the property. Since 2008, Downtown Tulsa has received nearly $1 billion in private and public investment which will continue to support and drive jobs, transit, and development, boding well for the long-term strength of the Bixby and Tulsa rental market.

Financing

The purchase of Encore Memorial will be financed by assuming and refinancing the existing HUD 223(f) loan by completing a HUD 223(a)7, to the extent interest rates remain favorable. By refinancing concurrently with the loan assumption, there is an opportunity to take advantage of the current interest rate environment and maximize proceeds by increasing the loan amount to the original loan balance. The expected loan amount is $24,000,000 at a fixed rate of approximately 4.15%-4.35% (inclusive of MIP). The loan will have a 35-year term and will be fully amortizing.

Ownership Structure

Privera Real Estate V, LLP, an affiliated partnership, recently sold a property and is seeking to complete a tax-deferred exchange using the net proceeds from the sale. The partnership will acquire Encore Memorial with a $5,600,000 equity investment. The Fund will make a $1,750,000 contribution to Privera Real Estate V, LLP for a 31.25% partnership interest. The remaining 68.75% will be owned by individual members.